EXHIBIT C

UNITED STATES DISTRICT COUT
SOUTHERN DISTRICT OF NEW YORK

	03-md-1570 (GBD)(SN)
In re: Terrorist Attacks on September 11, 2001	ECF CASE

This document relates to:

Burnett, et al. v. Al Baraka Inv. & Dev. Corp., et al., No. 03-cv-9849 (GBD)(SN)
Burnett, et al. v. The Islamic Republic of Iran, et al., No. 15-cv-9903 (GBD)(SN)

DECLARATION OF SOLOMON GAYLE

I, SOLOMON GAYLE, hereby declare under penalty of perjury as follows:

1.   I am 60 years old and currently reside in Jersey City, New Jersey.

2.   I was the fiancé of Seilai Khoo, a Malaysian national, who was Executive Vice President and Portfolio Manager at Fred Alger Management on the 93rd Floor of One World Trade Center and who was killed in the terrorist attacks on September 11, 2001.

3.   Seilai and I met when we were both undergraduate students at Columbia University in New York City in 1983. We were both majoring in Computer Science.

4.   We were both educated under the British system of education—Seilai in Singapore and me in Jamaica—so we had a similar background of study along with both of us being from other tropical countries that helped bring us together.

5.   Later that year, we became a couple and remained so until Seilai's death in 2001.

6.   While we came from different backgrounds, this never mattered. I came to Columbia University in part to play soccer for the university's intercollegiate team while Seilai came from a private-school education where a number of her high-school graduates had a close-knit community at Columbia.

7.   As we got to know each other, I learned how intelligent and talented Seilai was and told her that the Computer Science program was not challenging her and that she should study Economics as well to allow herself the opportunity to work on Wall Street where I could envision her being able to prosper.

8.   In August 1984, while I remained in New York for the summer, Seilai sent me a postcard from Lake Tahoe saying she had been to a Crystal Gayle concert – a subtle play on our last name relationship – indicating we were out of sight, but not out of mind. Attached as Exhibit 1 is a copy of the postcard that Seilai sent to me from the Crystal Gayle concert. This was one of the first of many thoughtful things that we share with each other over 17 years of our relationship.

9.   In the fall of 1984, Seilai and I continued to see each other regularly as a couple, and Seilai kept a number of items of memorabilia for me from my success playing varsity soccer and being voted All-Ivy League, Division I All-American, and Ivy League Player of the Year while playing for Columbia. *See* Exhibit 2.

10.   During Seilai's last year of university, we would primarily see each other on weekends when we would go to museums in New York or visit restaurants as Seilai loved to experience new types of food. In fact, as we got older, she would religiously watch shows on the Food Network like Emeril Live and Iron Chef to identify culinary exploration for our standard weekend entertainment around food and movies.

11.   Seilai traveled with me to Jamaica in the summer of 1986 after she graduated. *See* Exhibit 3.

12.   We traveled extensively together. She loved to take weekend trips, so we would often be within a short distance from the city—to Martha's Vineyard, the Hamptons,

Washington, DC, and even to places in upstate New York. We would constantly explore and travel.

13.   After Seilai had graduated from Columbia University and began working in the financial world, she undertook rigorous study to obtain the designation of Chartered Financial Analyst ("CFA") which required her to pass three increasingly complex exams that test fundamentals of investment tools, valuing assets, portfolio management, and wealth planning. She obtained this designation in September 1992.

14.   While Seilai was completing her CFA requirements, we maintained two separate residences while continuing to see each other and travel as much as possible. Upon completing her certification, she allowed her younger brother to move into her apartment in New York City, and she moved in with me in my apartment in Jersey City, New Jersey where we lived together until Seilai's death on September 11, 2001.

15.   Marriage was a frequent topic of conversation between Seilai and I because we were completely committed to each other. We often spoke of simply going to the courthouse and making our marriage "official" because neither of us wanted a large ceremony. Friends of ours had large ceremonies, and we knew that was not how we wanted to get married.

16.   We also traveled internationally to a number of countries (Paris and Hallstatt of the most memorable significance), and we would speak about getting married in these exotic locations, but we agreed that we would wait.

17.   After deciding we would remain in New York, we were beginning to make plans to move back to New York City, and we (incorrectly) believed we could not obtain a marriage license in New York while we were living in New Jersey, so we also decided to wait to get married to highlight our return to our selected New York home.

18.   But a few years before Seilai was killed, because of my background in computer science, I had the opportunity to move to Silicon Valley for a year to obtain invaluable experience during the "tech boom" at GlobalCenter in Sunnyvale, California. To cement what we already knew to be true, I proposed to Seilai before I left for California and gave her an engagement ring. Because we were a private couple, she would often wear this ring on her necklace rather than on her finger, but to our friends, our relationship was no secret.

19.   The time in California allowed me to gain hands-on experience with Internet and web development because, at that time, the New York/New Jersey area was dominated by client-server technology with very little concentration on internet technology. I resigned my Lead Technology Management Consultant role at J.P. Morgan in New York to enable my early experience with newer technologies in California. Seilai and I had also spoken about my time in California as possibly providing a transition for us to fully relocate to the West Coast since San Francisco was a technology and financial hub, and Seilai was a senior technology analyst and a big early investor in Dell Technologies.

20.   While I was in California, I was offered a position to work in early internet financial services with E-Trade in approximately July 1997, but I chose to move back the East Coast to be with Seilai to allow her to continue to grow at Fred Alger.

21.   This time in California also helped to solidify my desire to create a start-up business. I left GlobalCenter in June 1997, and I began to develop what would become Webternity.com to ideally serve as the primary online personal publishing resource for individuals, families, and communities of interest by making it as easy as possible for the user to express themselves on the Internet. While I engaged in some consulting work for various

companies after leaving GlobalCenter, the job I held in California was the last salaried position I held prior to Seilai's death.

22.   Attached as Exhibit 4 is a copy of the May 2001 Business Plan for Webternity.com. My partner in the business and I were contributing our "sweat equity" to build the business and seek investors, but had I been single, I could not have assumed the risks in such a venture. It was only through the trust, support (both financially and emotionally), and stability (again, both financially and emotionally) provided by Seilai that I was able to contribute so much time and effort into this venture to the point that I no longer worked another steady-income job.

23.   As a result of our joint decision for me to pursue Webternity.com full time, I became necessarily financially dependent upon Seilai in the time period leading up to her death on September 11, 2001. And she was entirely supportive and onboard with this arrangement.

24.   In 2002, Dr. Kingsley Chin—a very close friend of both Seilai and I from our days at Columbia University—wrote, "I closely witnessed the relationship [that Seilai Khoo and Solomon Gayle] developed and shared over seventeen years, and cannot imagine any other situation [other than the terrorist attacks] that could have disrupted their strong partnership. Prior to SeiLai's tragic death on September 11, 2001, they were engaged and living together in their condominium in Jersey City, and close friends and family members where [sic] very aware of that their marriage and family plans were only being delayed because of career commitments." *See* Exhibit 5.

25.   We did not commingle our finances, but there were a number of reasons why this was the case. First, because of a significant disparity in the levels of our compensation as a result of Seilai's abundant success in the financial sector, I never wanted others to think that I was with Seilai for her money. Second, culturally as a non-American male, it was important for

me to be able to stand on my own feet financially. I did not begrudge Seilai's success at all, and in fact, she wanted us to commingle our finances because we were completely committed to one another in a trusting relationship. Finally, I did not want Seilai to feel constrained about using the money that she earned to provide support for her mother and siblings as necessary. She was a giving person, and she loved her family so much, and I feared that if our finances were commingled that she would not feel as free to provide this support to her family. I did not want to stand in the way of this.

26.   Seilai also wanted to name me as a beneficiary on her life-insurance policies and in her will, but I wanted to ensure that her extended family would be well taken care of. And while I agreed to serve as the Executor for her Last Will and Testament, it was important for me that her beneficiaries be her parents, siblings, nieces and nephews. And she entrusted me to make certain this would take place.

27.   And while we did not commingle our finances, we were still of the mindset that "what's mine is yours, and what's yours in mine." One example of this was when I was living and working in Silicon Valley. I had taken the car that we had otherwise shared from New Jersey to California, and while there, we decided to get a new car. Seilai and I agreed that our original car would be given to her sister and family living in San Diego, California rather than simply trading it in against the purchase of the new vehicle.

28.   While we never exchanged wedding vows, we enjoyed traveling at any opportunity we had. After Seilai's brother graduated from Columbia University, we all traveled to Italy together where we stayed and traveled for two weeks in 1993. *See* Exhibit 6. We often travelled to other foreign locations including Bermuda, the U.S. and British Virgin Islands, Canada, Mexico, France, Italy, Austria, Germany, Switzerland, and Jamaica among others.

Attached as Exhibit 7 are photos of some of the trips that Seilai and I took during our 17 years together before her fateful death on September 11, 2001.

29.   Seilai would often give me greeting cards where she would affectionately refer to me as "Daddy" or "Little Daddy", and I would refer to her as "Little Mommy". *See* Exhibit 8. In these cards, she expressed her love, and I have cherished these memories.

30.   For me, the title of "husband" was not important—it was the relationship that Seilai and I shared. In every meaningful way, we lived as husband and wife. We complemented each other, and as we began getting older, we even contemplated adopting to be able to raise children around our busy careers, but unfortunately, the events of September 11, 2001, eliminated those possibilities.

31.   The events of September 11, 2001 altered my life in so many ways. I lost my soulmate of 17 years and the woman with whom I planned to share the remainder of our lives. Her death has left me with a loss that I cannot explain, and while there are many aspects of life that must go on after losing someone so close to you, her death has made accountability for these horrific terrorist attacks an extremely important issue for me as someone who was a lawful, upstanding permanent resident on September 11, 2001 – awaiting the inevitable moment, like my official marriage, to obtain my United States citizenship – who lost his very significant lawful United States permanent-resident other.

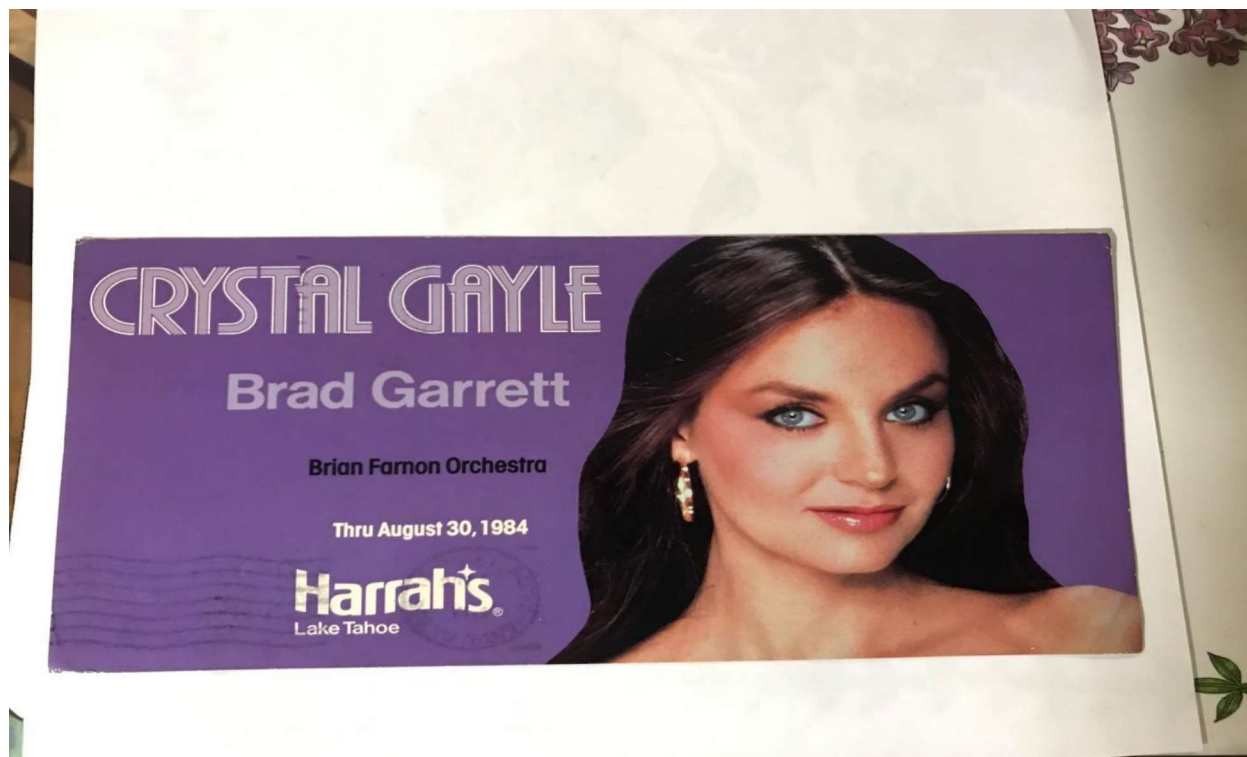I declare under penalty of perjury that the foregoing is true and correct.

Dated: June 18, 2024   *Solomon Gayle*
       Jersey City, New Jersey   SOLOMON GAYLE

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EXHIBIT 1

Fall 1984 return to Campus

COMING ATTRACTIONS

South Shore Room Lake Tahoe	Headliner Room Reno
The Roy Clark Show Aug. 31 thru Sept. 6	**Tony Bennett Sings Woody Herman** thru Sept. 5
Tony Orlando Deniece Williams Sept. 7 thru 20	**Eddy Arnold Boots Randolph** Sept. 6 thru 19
Wayne Newton Sept. 21 thru Oct. 4	**Sammy Davis, Jr.** Sept. 20 thru 27
Bill Cosby Oct. 5	**Bill Cosby** Sept. 28 thru Oct. 4
Sammy Davis, Jr. Oct. 6 thru 18 (Except Oct. 10 & 11)	**Suzanne Somers** Oct. 5 thru Oct. 10
The Charlie Daniels Band Oct. 10 & 11	**Charo** Oct. 11 thru 24
Loretta Lynn Oct. 19 thru 25	**Mickey Gilley** Oct. 25 thru Nov. 7

Reservation Service: 7 a.m. to Midnight. Phone: Reno, 702-829-4422. Lake Tahoe: 702-588-6606. Toll free direct dialing from California, Oregon, Utah, Idaho and Arizona: 800-648-3773. Washington and other states: 800-648-5070. Show times: 8 p.m. (Room opens at 6 p.m.) and 11:30 p.m. (Room opens at 10:30 p.m.)

1984 Harrah's Reno Nevada P3360

Hello from beautiful Lake Tahoe, thought I'll drop u a're 1st postcard of the Semester. Saw Crystal Gayle + Joan Collins last nite. They were marvellous.

Chow.

TO: MR SOLOMON GAYLE
C/O COLUMBIA UNIV.
PLIMPTON HALL,
NYC
NY 10027
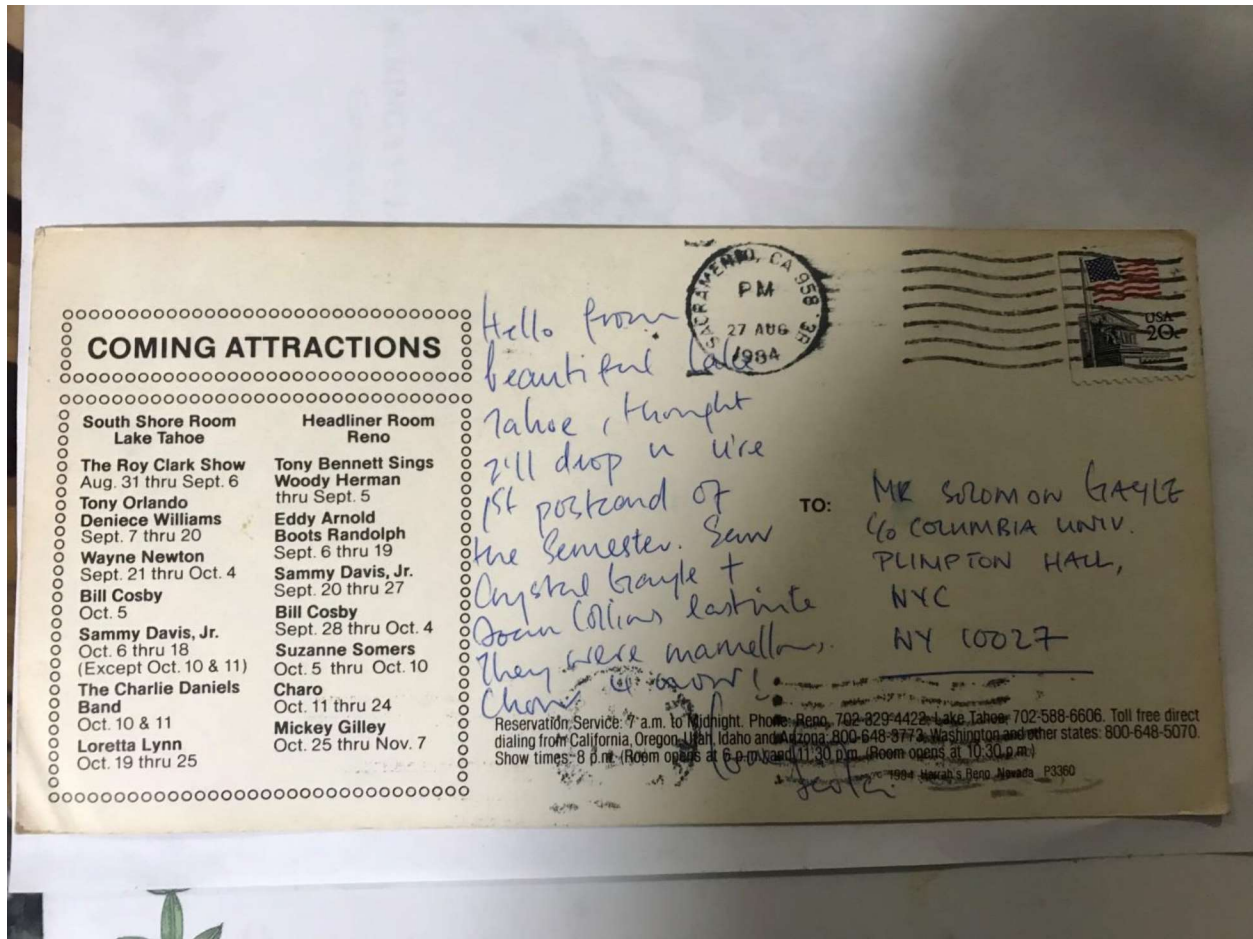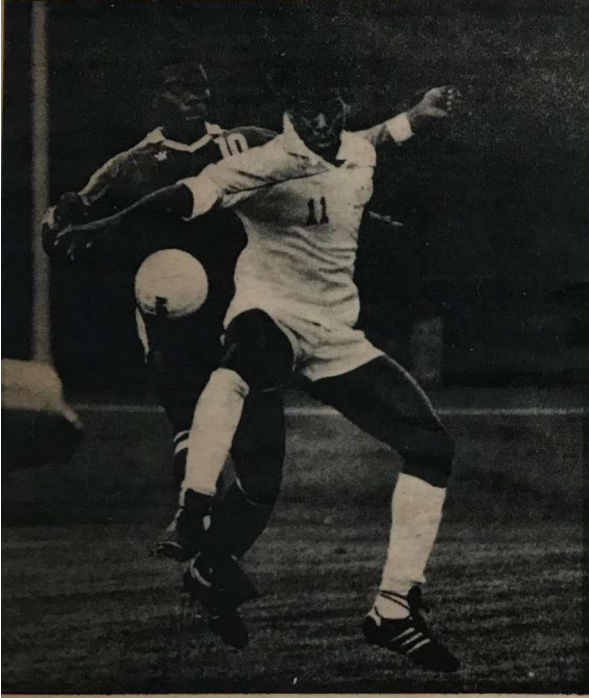
EXHIBIT 2

1981-1985 Columbia Awards

SPECTATOR/DIVONNE "The divine one JARERCKI

Gayle tops the Ivies
Ivy League Soccer Honor Roll

Player of the Year
SOLOMON GAYLE

Rookie of the Year
Nick Hotchkin

First Team

FORWARDS
SOLOMON GAYLE, Columbia (Unanimous)
John Catliff, Harvard
Yuri Fishman, Princeton

MIDFIELD
AMR ALY, Columbia (Unanimous)
Paul Nicholas, Harvard
Chris Paggi, Penn

BACKFIELD
Roy Stanley, Princeton (Unanimous)
KEVIN McCARTHY, Columbia
Peter Sawkins, Yale
Ian Hardington, Harvard

GOAL
Jeff Duback, Yale

Second Team

FORWARDS
DEXTER SKEENE, Columbia
Tim TenBrink, Yale
Lane Kenworthy, Harvard

MIDFIELD
Rich Kraemer, Princeton
Chris Strausser, Brown
Nick Hotchkin, Harvard

BACKFIELD
John Schmidt, Brown
JIM WURSTER, Columbia
Steve Sachlesen, Dartmouth
John Hastings, Cornell

GOAL
JEFF MICHELI, Columbia

Honorable Mention
JAMES ALLARD, Columbia
FRANK OZELLO, Columbia
ART LYNCH, Columbia

THE OFFICERS AND
THE BOARD OF DIRECTORS

of the

COLUMBIA COLLEGE ALUMNI ASSOCIATION

present this

Certificate of Merit

to

Solomon Gayle '85

All Ivy League, Soccer - 1984
Division I, All-America - 1984
Ivy League Player of the Year - 1984

In grateful acknowledgement of the
distinction he has brought to
Columbia College

March 23, 1985

President
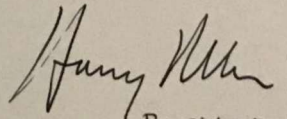
EXHIBIT 3

Jamaica, Summer 1986

Making dinner reservation, Jamaica, summer 1986

EXHIBIT 4

WEBTERNITY.COM

Business Plan

May 2001

WEBTERNITY.™
Your Personal Data Wave

CONFIDENTIAL

Table of Contents

Table of Contents

1   Description of Business

1.1 The Company and its mission

1.1.1 Overview

WEBTERNITY.COM ("WEBTERNITY" or the "Company") provides low-cost and free Internet homepages, or "homesteads," for Worldwide Web users with **broadband** Internet connections. WEBTERNITY is distinguished from other homestead companies in that it gives users the opportunity to preserve their homepages for generations to come, for the benefit of themselves, their families and their communities.

The Company's homesteads are extraordinarily rich in features yet very easy to use. Because WEBTERNITY has been engineered from the ground up to match the requirements and opportunities of **broadband connectivity** and the needs of customers, the Company is uniquely able to optimize the quality of the user's homestead experience.

The Company's mission is serve as the primary online personal publishing resource for individuals, families and communities of interest by making it as easy as possible for the user to express himself or herself on the Internet. The Company believes that the majority of Internet users wish to concentrate their energies on self-expression and community building, not on mastering software technology.

The Company's motto, "The Data is the Application" represents the belief that computer hardware and software exist solely for the purpose of representing and delivering information important to the user. The Company strongly believes that technology should be the servant of the user, not his or her master. The Company's products are designed to allow users to benefit from technological changes without suffering through the confusion and obsolescence that too often accompany new technology.

1.1.2 History and present status

The Company was founded in 1997 by Solomon Gayle, a computer engineer with over 15 years of experience in business application development. The Company has completed more than two years of technological development of its products and services. A beta model of the site came online in July 2000 and can be accessed at http://www.webternity.com. The Company is currently seeking funding for the purpose of financing a rapid build-out.

1.1.3 Build-out plans

The Company has planned for an additional month of implementing beta fixes, followed by the release of a commercial model to subscribers.

The Company projects a total of 250,000 subscribers within the first year of commercial operation, and 1 million subscribers within 2 years.

Since the Company's products and services have **been developed to perform optimally in a broadband environment**, the Company's growth will be partly correlated to the expected rapid expansion of broadband services by cable and DSL providers.

1.2 Founders

Solomon Gayle is currently serving in the capacity of Chief Technical Officer and interim CEO. He has 14 years of experience in the application development field. Solomon received his B.A. in Computer Science from Columbia University in 1985.

Kurt Dasbach is currently serving in the capacity of Product and Business development Manager. Kurt is a civil engineer who has also worked as a professional soccer player in Chile and the Netherlands. He received B.A. and B.S. degrees in Civil Engineering from Columbia University in 1988.

Notwithstanding the continued involvement of the Company's founders, the Company must recruit an experienced and energetic management team to achieve a rapid build-out.

Specific positions that will require immediate focus are director of engineering, director of marketing and sales, director of business development, senior financial officer, and a director of operations. Senior management and board members will be recruited after a first round of funding is secured.

1.3 Products and Services

1.3.1 Personal Internet Publishing

"Personal Internet Publishing" is the name given to services that allow individual users to express and distribute their interest over the Internet. The genius of the Internet as a publishing medium is that viewers can access information on demand (rather than the traditional distribution models), and the requirements for a set publication schedule are virtually eliminated.

Personal publishing allows individuals to publish their own 'personal data wave' – online information that provides a unique individual perspective. It is an option that the Internet has made possible, and which WEBTERNITY makes feasible. As described below, WEBTERNITY takes personal publishing a step farther by allowing people to preserve their web creations into the distant future.

WEBTERNITY has been designed for the "in color" broadband world that is now unfolding rather than the "black and white," low-bandwidth world currently dominant. In a broadband environment, personal publishing will flourish. With broadband, users will expect solutions that closely approximate their desktop environment.
WEBTERNITY, engineered from the ground up as a broadband solution, allows users to easily tell their personal stories on line.

Personal publishing is potentially one of the most powerful economic applications of the Internet. This is because personal publishing transforms the user from consumer to producer. It gives him or her ownership of a place on the Internet, and an incentive to come back frequently. A personal homepage is effectively a personal Web portal, one with a guaranteed following. It contains content specifically designed to please the individual and reflect his or changing preferences.

1.3.2 Meeting customer needs

The Company's market research suggests that Internet users interested in homepages want a few key things:

- Feature-rich sites that are easy to use
- The ability to establish a meaningful community online
- Helpful customer service
- Longevity
- Security for private information
- The chance to benefit from technological advances, without being frustrated by them.

WEBTERNITY has designed its products and services to respond directly to these concerns.

- *Feature-rich sites that are easy to use*

WEBTERNITY makes it easy for a user to set up a homepage by offering customize templates and functionality. A user simply types in text in response to prompts. The templates cover a large number of subject and interest areas, and give the user the opportunity to use media-rich features as well as simple text and images. At the same time, the templates offer enough options to the user so that his or her homestead can retain some originality.

- *The ability to establish a meaningful community online*

WEBTERNITY has been set up to facilitate meaningful communication among real world communities. Members can use the system to manage discussion groups, make group announcements, identify group members, and execute customized searches for specific community related information.

- *Helpful customer service*

Our philosophy is that the Company should take the lead in helping customers improve the look and usefulness of their sites. The Company will dedicate significant resources to ongoing customer service, both online and offline. WEBTERNITY's mission is to be the best provider of legacy homestead properties and services, and it is devoted to constant improvement so that it will always fulfill this mission.

- *Longevity*

WEBTERNITY offers premium customers the ability to preserve their creations for periods that are depended on storage medium technology and realistic archive management. Because the Company's technology separates user data from the presentation layer, a member's data will not be affected by upgrades to later technologies. Competing services using typical HTML presentation techniques cannot offer this assurance.

- *Security for private information*

WEBTERNITY offers a hierarchical security system that allows each member to designate information for different access levels. This means that WEBTERNITY homesteads can fulfill a variety of purposes for their creators, being both public records and private filing systems.

- *The chance to benefit from technological advances, without getting frustrated by them*

We deal with technological issues so our customers don't have to.

1.3.3 Basic and Premium services

WEBTERNITY's Basic services include:

- On line publishing (no need for site migration from desktop to site servers)
- Easy-to-use templates and functionality (e.g. address book management)
- Discussion groups
- Site networks (intelligent links to facilitate easy secure access between sites)
- Scheduling and calendar tools
- Gift registry
- Message boards
- Online photo albums and scrapbooks
- WEBTERNITY-sponsored clubs
- Individually created clubs (private or public)
- Address Books
- Time and frequency sensitive data distribution

WEBTERNITY will offer certain Premium services for varying prices. These include (1) long-term archival storage; (2) exclusion of ads from sites; (3) premium templates for homepage design; and (4) media-rich services, like video streaming.

1.3.4 WEBTERNITY's archiving solution

1.3.4.1 Web-based "immortality"

Business Week recently termed web-based "immortality" as one of 21 great ideas of the new millenium. WEBTERNITY has been designed for long-term storage and access, making such immortality possible; competitor services have not been.

WEBTERNITY is more than a personal publishing resource – it is a vehicle for long-term information preservation, hence the name, "WEBTERNITY." The Company believes that people who have taken great pains to express themselves on their Internet properties have an equally great desire to maintain a record of who they were, and who they are becoming.

As a premium service, the Company will offer interested users long-term archival storage of their homesteads – up to 50 years (assuming a media transfer is required every 5 years), and longer periods as technology advances. All software and data migration issues will be included in the Company's premium archiving packages.

WEBTERNITY gives people an easy way to keep memories alive. It is an easy-to-use mechanism for parents to keep records of their children's development, for teenagers to manage and record their numerous interests, and for adults to reminisce on and extend their family legacy.

1.3.4.2 Preventing Internet obsolescence

Current homestead providers may not plan for their members' homepages to disappear, but if they do not plan for ways to keep them in circulation, this is likely to happen. As anyone who has purchased a computer in the past 15 years knows, once a model is no longer explicitly supported by its manufacturer, its functioning is imperiled.

Like all fast-developing technologies, the Internet has a tendency towards obsolescence. As millions of new web pages are created, millions more are forgotten about, deleted, or lost. Millions more will become inaccessible because new browsers and application languages will be unable to accurately display them. Although developers of new presentation languages, browsers and platforms intend for them to be capable of reading and "importing" older technologies, the history of the hardware and software industries suggests that this importing will not always be successful.

Once the market moves to a newer technology, older technologies become obsolescent and data becomes inaccessible. For example, anyone who saved college term papers, resumes or personal journals on 8-inch floppy disks in the early 1980s will be challenged to access them now. The intermediate technology that allowed the transferal of data from 8-inch floppies to 5.25-inch floppies is no longer readily available. The transition from 3.5-inch floppies to compact disks will also present users with similar challenges.

Although individuals lavish a huge amount of time and attention developing web pages, **only a tiny fraction of the content created on the Web today will be accessible in the future.** Unless continuing, special efforts are made to preserve web content, much will be lost, to the chagrin of those users who have entrusted their creative effort and memories to this new medium.

In short, only a tiny fraction of the content created on the web today will be accessible in the future. Only a company that deliberately aims for longer-term preservation will be successful in attaining it.

WEBTERNITY's objective is to preserve memories, and its service architecture has been designed to make it possible (see "Technology," below). Although the user may be unaware of the specific transitions, he or she will have the benefit of them.

1.4 Customers

1.4.1 The legacy-oriented user

WEBTERNITY has been engineered from the ground up to serve Internet users who want to preserve their legacies online for themselves and future generations, as well as users who are not particularly focused on the future but who want effective homestead solutions.

People have a variety of ways of capturing important moments in their lives. Millions of Americans keep journals, scrapbooks, photo albums, trophies, ribbons and certificates, holiday and birthday cards, important letters, essays, and tests, theater playbills, concert tickets, cassette recordings, videos, books, etc. All of these objects are infused with meaning to their holders, since each is a testament to a memorable part of a person's life.

The Internet has removed the barriers to distribution. Now, using WEBTERNITY, anyone can give a compelling picture of his or her life through text, sound, and image. Providing an archiving service, that allows the author to preserve his or her message for the future, is a compelling affinity feature that should not be underestimated.

It is the Company's view that the potential market for personal publishing has barely been tapped. One of WEBTERNITY's focuses will be the challenge to show people just how easy it is to create a virtual legacy – and how the Internet is not just a place for the young or technologically savvy, but for anyone interested in communication.

1.4.2 Low entry cost, high exit cost

WEBTERNITY customers will face a *low entry cost* but a *high exit cost.*

Low entry cost
It's easy to get started on WEBTERNITY, and basically free. A user simply clicks onto www.webternity.com and follows the prompts to create a Web site. Within minutes, he or she can start personal publishing. There is no hardware of software to buy, and no difficult technical jargon to wade through.

High exit cost
Once a user spends time creating a homepage on WEBTERNITY, it will not be easy to switch to another homestead provider. Why?

■ Sites cannot be easily transferred to HTML-based systems.

WEBTERNITY's user data is kept in a database separate from the current HTML application language. It will not load automatically onto other HTML-based systems (see "Technology," below).

- **Competitors do not offer competitive features**

Most competitors have not developed a product or service line appropriate for broadband users. They are correctly focusing on the mass market, but technology is notorious for short life cycles.

- **Other sites aren't as easy to use.**

WEBTERNITY intends to maintain a service advantage over its competitors. It will continue to offer products and services that are both easy to use and sophisticated.

1.5 Technology

1.5.1 A database system, not a file system

WEBTERNITY stores the customer data to a database system. This is in contrast with the typical HTML-based file systems used by competitors. This choice of technology introduces some cost overhead, but yields some specific competitive advantages to the Company. These are illustrated in the following table, and discussed in more detail in the text that follows.

	WEBTERNITY	Other homestead services
Presentation Interface	Mainly Java Focus on client side interactive processing e.g. client side report sorting. User experience should closely approximate their desktop environment.	Mainly HTML Focus on server side processing, client side used mainly for presentation e.g. new sort order for a report must be process on the server.
File storage	Database Data is stored separately from presentation layer to facilitate frequent upgrades to the presentation layer, better security, and better information catalogs.	File system Each page of the homestead is a separate file on a central server, with text and HTML commingled. This is the most cost-effective method, but is not ideal for security, information catalogs, and centralized management of the presentation layer.
Broadband considerations	Broadband focus. Pre load interfaces and data that represent a specific functionality to the client.	Low bandwidth focus. Simulate a specific functionality by using step-by-step page request from servers.
User perception	Application Service Provider User accesses the service to perform administrative changes to their site.	Site Hosting User accesses the service to copy changes to their site.
Search effectiveness	High. Specific data categories to support targeted searches.	Low. Site wide indexing supports a search for any word, but not effective for targeted searches.

1.5.2 Service architecture

The typical homestead provider expects the homesteader to manage his/her site using a file transport protocol (FTP), and an HTML editor. Under this scenario, the homesteader must also layout and test his site on a local platform, and then FTP the files to an assigned directory structure on the host server. This arrangement is ideal for technical consultants, but not ideal for a typical user. However, there are creative advantages to this method that will satisfy a small percentage of the homesteading market.

In contrast, WEBTERNITY assumes full responsibility for the homesteader's site layout and file transferal needs. The flexibility desired by the technological savvy is sacrificed with this architecture, but we are addressing a market that mostly desire canned solutions. By owning the presentation layer, WEBTERNITY can implement a service that treats the server as an integrated part of the user environment. The user is not required to learn the technicalities of an HTML editor, FTP, or the file system structure that is ideal for the web server.

1.5.3 Bandwidth consideration

In the past, memory availability and the central processing unit (CPU) speed restricted the software application market. In the Internet age bandwidth is the major consideration.
The architecture of an application that is designed for a low-bandwidth environment is very different from an application that is targeted for broadband. Since the majority of Internet users are currently using low-bandwidth modems, most homesteading services are optimized for this environment. The type service that will be offered by these services in a broadband environment will be radically different. WEBTERNITY is focusing on the broadband environment, not only to gain first mover advantage, but also to ensure that we will not be forced to introduce any major migration concerns to our early client base.

1.5.4 Migration to new technology

WEBTERNITY selected its current architecture to isolate users from future technological advances. This requirement is critical to offering a legacy service, but also benefits users that are not legacy oriented given the short life cycles of many software releases.

The same cannot be said of other services that are not focused on the life span of a customer's site, and has placed the site upgrade responsibility squarely on the homesteaders. Since each user page is now a pastiche of text, script and HTML, current users of competing services will be most likely be required to upgrade their sites to meet the demands of newer technology. Given the tens of

millions of homepage files already in existence, migrating to new technologies could be costly, tedious and prone to error.

WEBTERNITY, been legacy oriented, is already anticipating this scenario, and that is a major reason why we have assumed responsibility of the presentation layer. Even without the need to address another Y2K like scenario, customer site upgrades can be presented to our user base as a service feature.

1.5.5 Searches

In the indexing model for most Web sites, each web page is basically a big blob of equally important (or unimportant) information. Information is not arranged in any particular way. Hence, if you try to isolate members of a college class with the search string "Columbia College class", you could be provided with every page that happens to contain the words "Columbia," "College" and "class," whether or not the words have anything to do with each other. Since most search engines cannot distinguish between multiple pages of the same Webs site, you may end up seeing 20 different references for essentially the same site.

In contrast, WEBTERNITY's structured data approach separates data into different categories, according to preexisting criteria. If a WEBTERNITY member supplied his college class on a template provided, other members or visitors to the site will have access to a search template that will effectively identify this member by searching for the name of his alma mater.

Webternity's Network Overview

Internet

www.webternity.com

Public network equipment

Routers,
CSU/DSU,
load balancing,
switches etc

—T1—

Service
Provider
backbone.

Firewall

High Speed Lan

Production Servers

Web servers.
Application servers.
Replication servers.
Database servers:
Accounts, Registration,
Search and Legacy.

SAN
Fibre
Channel
Interconnect

Active Enterprise Storage

Raid Arrays, Tape
Library, CD Vaults.

Archive Migration.

Archives

Tape and CD
storage

Tape cycling,
data
conversion,
tape request.

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1.6 Revenue Model

The Company's business model has both **business-to-consumer** and **business-to-business** components. Revenues will come from:
* Licensing fees and co-development funds
* Premium fees
* Advertising
* Affiliate commissions
* E-commerce commissions

1.6.1 Business-to-consumer

The Company provides free and low-cost content to users. Premium-service fees, advertising fees, and e-commerce commissions will be the main source of consumer revenues.

1.6.1.1 Premium fees

WEBTERNITY is the first player in the market to specifically address the needs of the legacy-oriented user. Although the fees to take advantage of WEBTERNITY's premium services (its archiving service in particular) will be fairly minimal, averaging $2 per month or less, the current competitive landscape could make this an expensive proposition. Consequently, the Company expects very little fees from premium services in the near future, but expects a large percentage of its long term members to eventual become premium subscribers since these members will be less likely to abandon their data.

1.6.1.2 Advertising potential

WEBTERNITY will be a particularly compelling platform for advertisers, far more so than typical content sites.   The key to any advertising-driven revenue model on the Internet is to maximize the number of page-impressions.

Because WEBTERNITY has been designed to maximize the user's experience online, the Company expects that its members will produce more pages, return to their sites more frequently, and draw more visitors than users of other homestead properties. Because WEBTERNITY is easy to use, there is very little barrier to entry for new users. Because the Company will regularly provide enhancements and suggestions for improvement, users will frequently update their sites. Because WEBTERNITY is designed as a community and family resource, real-world networks of friends and family will visit member sites.

WEBTERNITY can target ads more effectively than competitors, yet without the use of "cookies" and other privacy-diminishing mechanisms. WEBTERNITY sites

are organized by information categories, such as geographic location, school, profession, sports interest, hobbies, and other personal interests. These categories can be easily linked to advertisers without sacrificing the privacy of the member. For example, a sports equipment dealer can display ads to all those members who have an interest in sports, and a car dealer can display ads to all members in the Washington, D.C. metropolitan area.

Finally, WEBTERNITY has been designed to make ads as useful as possible without being intrusive. Ads always appear in the same place on a Web page. They do not pop up unexpectedly, take the form of "watermarks," or appear in places that interfere with user content.

WEBTERNITY will not disclose private information to any advertiser or third party.

1.6.1.3 E-commerce

WEBTERNITY will earn e-commerce commissions by connecting online suppliers of goods with a diverse customer base. Photographic equipment dealers, genealogical data services, financial planners and cutting-edge media companies will find in WEBTERNITY's subscribers concentrated numbers of people who are interested in their products. Revenue sharing arrangements will be negotiated with business partners who will eventually be able to capitalize on our traffic volume through exclusive deals.

1.6.2 Business-to-business

The Company expects to offer a private-label product to ISPs, cable companies, and portals with a need for media-rich and broadband-appropriate content. (See "Marketing and Sales Strategy," below.)

These revenues would likely be on a fee-for-service, or revenue sharing models, and would not be advertising or e-commerce dependent.

In addition, the Company's structured data technology is appropriate for certain other applications, such as medical records, where varying levels of security (confidential, semi-private, and public) are appropriate. The Company expects to explore fee-based licensing of its technology to users interested in such applications.

1.6.3 Business-to-private customer

This is a new business model (patent pending), which the company is pioneering, and research indicates will proliferate on the Internet.

In the traditional world, if an individual or group requires a specific feature in a service or product that is offered by a company, they would place a feature request to the company. Company innovations are strongly linked to feature request from their customers.

The Company will use our business-to-private customer model to attract innovative users by making a simple proposition to these users. WEBTERNITY will offer a limited profit sharing interest to users who are willing to finance the development cost of a new service module that is attractive and complimentary to the Company's services (X times development cost). The logistics for this model will be complicated (details can be discussed), but the end results should be beneficial to both parties.

1.6.4 Business-to-developer

Another business model that the Company will pioneer (patent pending), is to take the open source code module to the next level. The Company will make its source code available to developers who wish to integrate new modules to our service. The rules for module selection will be clearly outlined to our developer community to avoid duplication of efforts. Developers whose module are accepted for integration within the Company's service offering will be rewarded with a limited profit sharing contracts for profits directly attributed to their modules (X times development cost).

This module will expedite the Company's development cycle and provide the other traditional benefits of open source code development that is evident in some prominent software development efforts such as Linux.

2   Market Opportunity

2.1   The Internet market

Internet usage by Americans has grown exponentially in recent years. The number of Americans using the Internet grew from 14% to 41% of the population form 1995 to January 1999. Currently more than 70 million Americans use the Internet regularly. Users have migrated from computer ownership, to e-mail usage, to Internet surfing, to the creation of personal Web sites. Computers, once viewed as a way to deliver advanced software and data processing programs, are now being used primarily as communications devices.

IDC has projected that Worldwide Web traffic will increase at a compound annual growth rate of 21% from 1998 to 2003. People are spending greater amounts of time online when they do log on, and worldwide page views are projected to increase at the astronomical compound annual growth rate of 67% from 1997 to 2001, from 199 to 1,579 billion total page views.

2.2   Expansion of broadband access

Although the public is clearly interested in the power of the Internet, the Company believes that usage is hobbled by slow connections. Even with 56K modems, web surfing can be slow and tedious (and most Americans have 28K or slower modems). Most advanced applications like video streaming, and even commonplace applications that involves photo downloading, run at annoyingly low speeds. Fast web access, via cable modems or DSL, is limited to a relatively small proportion of the population, or to those using T1 lines at work or school. The Internet is still like an automobile forced to travel 15 miles per hour.

The Company expects this situation to change dramatically as broadband service becomes more common in the next five years.

The main advantages that broadband connectivity will facilitate, other than speed, are richness of applications, and the fact that cable modems and DSL are always "on." There is no need to dial up; with DSL connections; a person's access to the Internet is the same as having access to a local hard drive.

2.2.1 Current usage of cable and DSL

In 1999, approximately 1.8 million homes had broadband access (1.6 million Cable modem users, 0.2 million DSL users). @Home and Roadrunner, through a variety of large cable providers representing over 50 million cable subscribers, primarily provided Cable modem services.

2.2.2 Projected growth

Bear, Sterns estimates that broadband access will grow from approximately 2 million households in 1999, to over 25 million households (over 33% of online households), in 2004. By year-end 2002, BS estimates that 40% of high-speed access connections will be provided by DSL and 60% by cable modems. Some analysts have argued that competition between DSL and cable broadband providers will lead to a faster rollout of broadband, as each camp tries to build market share quickly.

2.3 Personal publishing market opportunity

Personal homesteads account for a large percentage of total web traffic. According Mediametrix, in February 1999 more than 60 million Americans visited one or more Internet homestead properties. Of the top 15 web properties visited in that month, four were homestead sites. The largest was Geocities, with approximately 20 million visitors (with 11% of all Web page views), followed by Angelfire with 12 million, Tripod with 11 million and FortuneCity with about 4 million.

Homestead companies have been experiencing rapid growth rates. In 1998, Geocities and TheGlobe both grew by more than 100,000 members per month. Although none of these companies were profitable at that stage, their revenue had been increasing dramatically. Company prospectuses reveal that Geocities' revenue grew by 244% in the six months ended June 30, 1998, TheGlobe's revenue increased by 550% in the year ended December 31, 1998, and FortuneCity's revenue grew by 639% in the nine months ended September 30, 1998.

The Company expects that the number of Internet homesteaders, currently about 19 million, will climb to 25 million by the end of 2001 (over 27% of the projected 90 million 2001 online users). The number of page views by users and visitors will climb exponentially since the number of pages per site is increasing rapidly along with time spent online by the average user.

However, Internet homesteading does not yet live up to its promise of being a useful tool for self-expression. Homesteads are hard to set up and edit, communities are artificial, and companies give very little ongoing customer service to help a user make his or her personal publishing experience meaningful. They are not easily accessible to the average Internet user, and certainly not to the technologically tentative person who is new to the net. There are many homestead properties offered that are advertised as "easy to use" but very few that are.

In the Company's view, it is because these services were designed to take advantage of technologies designed for commercial users. They evolved as extensions to Web publishing software, in response to consumer demand for new services. Web Publishing was supported in the most painless way possible (from the point of view of the provider, not the user); the main objective of the providing companies was to build up their subscriber basis as quickly as possible. As a result, there are many homestead properties offered that are advertised as "easy to use" but very few who are.

Hence, the Company sees a market that, despite its size, still offer a window of opportunity for service oriented providers who meet customer demands that are beyond the standard easy-to-use publishing software. In addition, it is a market that does not directly address the needs of the legacy-oriented user.

2.4 Potential of advertising

Most homestead companies operate on an advertising-driven business model, and receive more than 90% of their aggregate revenues from advertising.

Internet advertising is still quite small compared with other forms of advertising. In 1998, about $2 billion was spent on Internet advertising, compared with $141 billion spent on all media advertising (including television, newspapers, radio, yellow pages, and other vehicles). In addition, $102 billion was spent in 1998 on direct mail and direct telephone, for which targeted Internet advertising can be considered a potential direct substitute. Internet advertising spending is still a very small piece of the total advertising pie. On a household basis, U.S. advertising spending in 1998 devoted $738 per household for newspaper ads, $395 for broadcast television ads, $149 for radio ads, $133 for cable ads, and only $38 for Internet ads.

However, Internet advertising is by far the *fastest-growing* type of advertising. Internet advertising grew by 102% between 1997 and 1998, or ten times the growth rate of the next fastest category (business publications). In the three-year period from the first quarter of 1996 to the fourth quarter of 1998, Internet expenditure grew from $30 million to $656 million, an increase of more than twenty times.

Advertising expenditure will skyrocket as mainstream advertisers become more comfortable with the Internet, realize the tremendous reach of the Internet, and understand the ways that the Internet allows targeted advertising and feedback not available to other forms of advertising.   Hence, Jupiter Communications predicts that advertising spending will continue to experience huge growth through 2004. Advertising revenue of Internet companies is expected to grow by 95% per year. Ads served are expected to grow at a rate of 87%, from an estimated 103 billion ads served in 1998 to a projected 631 billion in 2001.

2.5 Valuation

The Company anticipates capturing 10% of broadband homestead users, growing from 120,000 subscribers in its first 9 months of full operation to about 5 million by 2006 (see also "Marketing and Sales Strategy," below).   As broadband services replace low-bandwidth services, the Company will have a solid niche and be a major, profitable player in the homestead market.

Because of its unique customer focus, and its attention to developing technology appropriate for its services, the Company expects to emerge as a desirable

property in the on-going consolidation of Internet companies. (See "Competition" below.)

The company's valuation will ultimately be determined by its ability to meet its revenue and subscriber growth projections. The company's business model is very dependent on subscription fees for its archiving service, so it is logical that its valuation will closely mirror the metrics used for online properties where subscription fees are a critical metric. Subscription fees are a critical metric to application service providers (ASPs).

3 Competition

3.1 Competitive landscape

3.1.1 Homestead services – large players

WEBTERNITY faces competition by large established homestead providers such as Geocities, MyFamily, Homestead, FortuneCity, TheGlobe, and AOL Hometown. Such companies are well capitalized and have subscriber bases in the millions.

Still, the Company believes that it can penetrate the homesteading space by focusing its attention to new service requirements in the broadband space. The following chart illustrates important differences between WEBTERNITY and its larger competitors.

Traditional homestead	WEBTERNITY solution
Leave homestead design up to users	Standardize homestead design; attract repeat users by constantly introducing new features and constantly upgrading our presentation layer
Unstructured data; searches yield confused results; migration to new technology difficult and prone to error	Structured data approach. Separate data from the application language
Create virtual community to encourage repeat visitation	Make useful to real-world communities, leading to viral networking
Provide short-term data management solutions.	Provide long-term data management solutions to capitalize on revenues from subscribers who are willing to pay to ensure their data legacy.
Designed for current, low-bandwidth technology; new technology benefits new users only	Engineered for optimal performance in broadband environments

3.1.2 Niche players

The Company also faces competition by niche players who address the "family homestead" market, like RootsWeb.com and Ancestry.com. At present, such companies primarily provide genealogical information but conceivably could expand into the legacy market.

3.1.3 Specific service offerings

The Company may face competition from homestead-like Web sites that offer specific memorializing services, such as ClubPhoto, which allows users to create online photo albums. (Certain larger players, like AOL, are also starting to offer this service.)

The Company does not believe that this competition will be significant, since the industry is moving towards integrated application services, and because no particular provision is made for long-term maintenance and storage. In addition, such services do not focus on the legacy market directly; rather, they offer a random set of services that may or may not be able to integrate to provide rich application services.

3.2 WEBTERNITY's advantages

3.2.1 Focus

WEBTERNITY is not intended to be all things to all people. It is primarily geared for users looking for integrated services in a legacy-oriented environment; users who which to preserve their digital assets for future generations.

3.2.2 First mover advantage in broadband

Although it is assumed in the industry that broadband services will eventually command more revenues than low-bandwidth services, most content companies cannot afford to make the transition to broadband connectivity a priority. Rather, broadband connectivity is seen as a necessity only for super-media-rich products like Tivo and Replay, and technologies like video streaming. Less attention has been paid to how broadband connectivity will change the way more "ordinary" content is delivered. Therefore, the Company expects to attain a first-mover advantage with legacy focused homesteaders.

3.2.3 Properly engineered to meet customer needs

WEBTERNITY has been engineered from the ground up specifically to optimize the quality of the user's homestead experience. WEBTERNITY has approached every step of the design process with the question of what real-world consumers want in an Internet homestead.

The Company has already spent over two years in technical development to ensure that its product, when released, will be the most practical on the market

for legacy focused homesteaders. WEBTERNITY's time frame is not the next fiscal year, or the next five, but the next millenium.

3.2.4 Suitable for real-world communities

WEBTERNITY is a tool for real-world communities to strengthen their bonds with an online presence. It does not focus on establishing cyber "neighborhoods" to connect previously unknown people.

4   Marketing and Sales Strategy

The Company has planned for a rapid build-out, and expects to attain a membership base of more than 1 million users within 2 years. The Company seeks to expand its reach and recognition among broadband customers using distribution alliances. Its build-out strategy is not based simply on "buying brand" through advertising.

4.1   Alliances with broadband service providers

Because the Company is a provider of services for broadband Internet users, its potential market expands as the number of broadband users grows. At the same time, providers of broadband services require content that is specifically tailored to those services.

Competition among broadband services for market leadership continues to grow. The past two years have borne witness to a concentration in the number of cable providers, telephone companies, and ISPs. Cable companies in particular are paying large sums of money to try to lock up access to consumers based on estimated future revenue streams. There is also competition among different kinds of providers of broadband Internet services, as evidenced by the advertising battle among cable Internet service providers and DSL-type providers. Offering access to the Internet is but one part of the battle; once providers have a "pipe" to the home, they also require compelling content.

WEBTERNITY is negotiating, and will continue to seek out, alliances with cable companies and other broadband Internet service providers. Under the terms of these alliances, our partners offer the WEBTERNITY service to their customers as one channel in a set of services. Partnering with cable companies, telephone companies, and other broadband ISPs dramatically reduces the cost of subscriber acquisition.

4.2   Alliances with Internet portals

A number of large and well-funded Internet portal companies like AOL, Yahoo, Excite, Lycos and Go2Net are evolving into huge media companies that seek to offer whatever compelling service or product the Internet produces.

As part of this transformation into full-service media companies, the portals have started establishing alliances with broadband providers. The next step will be to establish relationships with providers of content appropriate for broadband. Significant transactions of this kind was the acquisition of @Home by Excite, and the merger of Time Warner with AOL.

Although WEBTERNITY has the capacity to grow a large independent user base, it also expects to be an attractive alliance partner for a portal seeking content appropriate for broadband. As a channel in a large portal, WEBTERNITY would add important services.

4.3 Alliances with commercial destination sites

Large commercial destinations are seeking ways to expand visitor engagement. . Content companies like Disney, NBCi, CNN, ESPN and others recognize that offering a greater variety of services, such as e-mail and home pages can enhance user "stickiness".

Because commercial destinations represent preexisting communities that can be strengthened through a homestead service, these companies are a natural fit for a homestead provider like WEBTERNITY. For example, not everyone visits CNN chat-rooms; but those who do place great importance on discussion of current events.   WEBTERNITY is especially suited to be a network for real-world communities of interest.

The comparative advantage of these companies is the creation of a particular kind of content; not creating Internet homesteads. Through strategic alliances, WEBTERNITY can provide services that help commercial destinations become more attractive to their visitors.

4.4 Alliances with associations and affinity groups

WEBTERNITY allows people with common interests to bring their real-world communities online. It allows teams, professional groups, schools, universities, alumni organizations, associations and other kinds of interest groups to communicate effectively.

WEBTERNITY is a vehicle for these associations and affinity groups to establish online networks. The Company will work group leaders to design the best approach for their needs.

In addition, the Company has the ability to provide Intranet services for these kinds of associations and affinity groups.

4.5 Advertising-driven growth

4.5.1 Paid advertising

The Company will undertake a limited amount of paid advertising in different media channels to build brand awareness of WEBTERNITY.   Such spending will be directed primarily to "legacy-oriented" individuals and to associations.

4.5.2 Barter advertising

The Company will negotiate advertising exchanges with other Internet companies.

4.6 Viral networking

WEBTERNITY expects to attain part of its growth through online word-of-mouth, or "viral networking."

WEBTERNITY is uniquely suited to viral networking. Viral networking occurs when the use of a service by an individual leads to use of that service by friends, family and colleagues. (An early major example of viral networking was Hotmail; each Hotmail message sent contained a link so that the recipient could sign up for free e-mail as well.)

WEBTERNITY lends itself to viral networking more than competitor services because it benefits real-world communities. Once an early adopter sign up for the service in a family, school or affinity group, numerous others will follow. Each subsequent user reinforces the benefit of the service for the original user.

5 Exit Strategy

The Company's management is committed to growing WEBTERNITY into a leading provider of homesteads in the broadband environment, and *the* leading provider of homesteads for legacy-oriented individuals. Management is confident that WEBTERNITY can attain membership of more than 1 million in 24 months, and up to 5 million in five years.

At the same time, management is well aware of the continual consolidation of the Internet industry, and is not averse to partnering or being acquired by established players. Management also recognizes that at a certain point, such partnering could substantially reduce the cost of growth and enhance profitability.

Although the Company expects to be of sufficient size to become an independent public company, management currently thinks it more likely that an existing player will acquire the Company rather than conduct its own IPO.

6 Use of Funds

The Company will use its initial round of funding primarily for personnel, operating equipment, office space and limited advertising.

7 Advisory Board

7.1 John Morris

Mr. Morris is Managing Director of Promethean Capital Group LLC where he is responsible for marketing, investor relations, and product and business development. Prior to joining Promethean Mr. Morris was Executive Director at Global Arbitrage Asset Management. Prior to GAAM, Mr. Morris was Managing Director at the Palladin Group, L.P. in charge of marketing and business development. Prior to this Mr. Morris served in a number of capacities at Republic National Bank of New York (now part of HSBC). Most recently he was Vice-President of global capital markets where he was responsible for new business development for structured products.

Mr. Morris was graduated with honors from Clark University with a B.A. in Economics and International Development, an M.A. in Sociology from Yale University and an M.A. in International Economics and Finance from Brandeis University.

About Promethean Capital Group LLC

Promethean is an innovative New York City-based investment management firm that specializes in convertible arbitrage strategies including private, direct investments in publicly traded companies. While Promethean's strategies are decisively based on fundamental investment principles, the firm employs quantitative methods to neutralize underlying equity price risks to produce consistent, absolute returns across market cycles. Promethean is an industry leader in originating and managing private convertible investments and is a tenacious fiduciary of client assets. The central principle of Promethean's investment philosophy is wealth preservation through risk management.

7.2 John Sharber

Mr. Scharber, chief technology officer at CacheFlow (NASDAQ: CFLO), has more than 23 years of management and engineering experience in high technology. He has played a pivotal role in the engineering, design and implementation of commercial networks.

Prior to joining CacheFlow, Mr. Scharber was co-founder at Entera (Entera was purchased by CacheFlow). Prior to forming Entera Mr. Scharber was the director of engineering and a founding member of GlobalCenter, Santa Clara, California, now a division of Exodus Communications, Inc (NASDAQ: EXDS). His responsibilities included product and network engineering as well as launching the operations group. Before that, Scharber was director of advanced technology for DHL Worldwide Express. Prior to DHL, Scharber was involved in the engineering and operations of three other start-ups in the network and health care fields.

Scharber has been involved in IP network standard bodies from the early days of X-Open, ISO and IETF and has contributed to the development of several specifications in the network and network management areas.

Scharber, a Minnesota native, has a Bachelor of Science degree in Business Administration from San Jose State University.

About Entera, Inc.

Entera, Inc. develops Internet Content Delivery Technologies that enable companies to add value, while building the Internet infrastructure. The company delivers standards-based software products that move Internet content closer to users, improving the overall user experience. Internet traffic congestion is substantially reduced, conserving bandwidth and reducing operational costs. Our innovative approach to software development has yielded advanced solutions in server technology, including streaming media, Web caching, and stream caching servers.

7.3 Wayne Seaton

Mr. Seaton, an Associate Director at Bear, Stearns & Co., has been an investment banker and public finance specialist since 1993, and has lead managed over $5.5 billion in transactions for some of the largest and most complex capital programs in the nation. He most recently structured a complex $1.1 billion transaction for the City of Atlanta's Water and Wastewater capital improvement program, which featured the largest privatization of a major water system operation in the United States.

Mr. Seaton, as a senior manager, averaged over $200 million on deals for other major municipalities across the nation. Some notable cities include City of Philadelphia, St. Louis, Dallas and New York. He also served as a day-to-day banker for over $1.6 billion in MAC financings, and his taxable experience includes a $147 million transaction for the City of Atlanta and Fulton County Recreation Authority. This transaction provided funds for the construction of a new state-of-the-art multipurpose arena for the NBA's Atlanta Hawks as well as a new NHL expansion hockey team, the Atlanta Thrashers.

Mr. Seaton is also a key member of the Bear Stearns Team that is currently one of the rotating senior managers for the District of Columbia Water and Sewer Authority's $1.6 billion 10-year Capital Improvement Program. He is also a key member of the Bear Stearns Team that was recently appointed senior manager for the Greater Orlando Aviation Authority, as well as being a part of the team that structured a $130 million refinancing for Dade County-Florida for the Miami International Airport.

Mr. Seaton began his public finance career at PaineWebber, Inc. and at that firm structured a $289 million combined refinancing and new money issue for the Pittsburgh Water and Sewer Authority *(PaineWebber's "Deal of the Month" in October, 1993)*, and a tender note offering for the City of Chicago. Mr. Seaton also served in the Public Finance Department of Chemical Securities, Inc., where he *structured and priced Chemical's first sole managed* combined serial and capital appreciation bond issue for the City of Glen Cove, New York. Prior to his career as an investment banker, Mr. Seaton worked as an International Banking Analyst at the Federal Reserve Bank of New York, and as an Associate at DRI/McGraw-Hill, the economic consulting firm.

Mr. Seaton is a registered representative with the National Association of Securities Dealers (Series 7 and 63 licenses). His charitable involvement includes active participation in the Kappa Alpha Psi New York Alumni Scholarship Foundation, Inc., an organization that awards college scholarships to inner-city African American high-school male students. He also served as Treasurer of the New York Chapter of the National Association of Securities Professionals.

Mr. Seaton received an MBA degree in Finance and International Business from Columbia Business School in October 1993. While at Columbia, he was the recipient of the Exxon Fellowship and the New York National Black MBA Scholarship. He received his AB in Sociology from Harvard University.

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Financial Projections
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Webternity.com
Start-up Costs and Yearly Expenses

	Year 1	Year 2	Year 3	Year 4	Year 5
ON-GOING COST METRICS					
Average subscribers for year	74,358	587,686	1,644,895	3,040,720	4,275,24
Subscriber Growth factor (over previous year)		690%	180%	85%	41%
Average quarterly page impressions per year(millions)	2	31	138	392	71
Page impressions growth factor (over previous year)		1384%	344%	183%	83%
Assumed employee growth factor (factored from subscriber growth)		173%	45%	42%	20%
Estimated number of employees (full year)	18.0	49.1	71.1	101.3	121.9
Assumed production cost growth factor (% of page inventory growth)		692%	344%	183%	83%
Salary Increase %		7%	8%	8%	9%
Direct cost per employee equivalent	$96,089	$102,815	$111,040	$119,924	$130,717
Total direct cost	$1,729,600	$5,044,663	$7,898,494	$12,149,728	$15,931,555
Indirect cost and overhead per employee equivalent	$12,900	$12,900	$12,900	$12,900	$12,900
Total indirect cost and overhead	$232,200	$632,944	$917,600	$1,306,928	$1,572,233
Product expense	$318,000	$2,518,310	$11,182,562	$31,696,329	$57,948,640
Total base expense	**$2,279,800**	**$8,195,917**	**$19,998,656**	**$45,152,985**	**$75,452,428**
Contingency/overrun (15%)	$341,970	$1,229,388	$2,999,798	$6,772,948	$11,317,864
Total yearly expense (adjusted)	**$2,621,770**	**$9,425,304**	**$22,998,454**	**$51,925,933**	**$86,770,293**
Allocated quarterly expense	$655,443	$2,356,326	$5,749,614	$12,981,483	$21,692,573

Webternity.com
Income Statement

	Year 1	% of Total Revenue	Year 2	% of Total Revenue	Year 3	% of Total Revenue	Year 4	% of Total Revenue	Year 5	% of Total Revenue
Revenue										
Advertising	$11,765	26%	$250,604	11%	$1,436,247	8%	$5,678,363	10%	$12,112,456	10%
Premium services	$28,915	65%	$1,033,117	45%	$5,109,274	29%	$14,098,095	25%	$37,310,765	30%
Affiliate & Direct E-commerce	$3,718	8%	$257,046	11%	$2,463,034	14%	$7,946,996	14%	$12,398,208	10%
Archived Accounts	$0	0%	$733,170	32%	$8,386,407	48%	$27,852,140	50%	$60,574,980	49%
Total Revenue	$44,398	100%	$2,273,938	100%	$17,394,962	100%	$55,575,594	100%	$122,396,409	100%
Cost of Goods Sold										
Product expense	$318,000	716%	$2,518,310	111%	$11,182,562	64%	$31,696,329	57%	$57,948,640	47%
Gross Profit	-$273,602	-616%	-$244,372	-11%	$6,212,400	36%	$23,879,265	43%	$64,447,769	53%
Operating Expenses										
Direct costs	$1,729,600	3896%	$5,044,663	222%	$7,898,494	45%	$12,149,728	22%	$15,931,555	13%
Indirect costs and overhead	$232,200	523%	$632,944	28%	$917,600	5%	$1,306,928	2%	$1,572,233	1%
Total Operating Expenses	$1,961,800	4419%	$5,677,607	250%	$8,816,094	51%	$13,456,656	24%	$17,503,788	14%
Income From Operations	-$2,235,402	-5035%	-$5,921,979	-260%	-$2,603,694	-15%	$10,422,609	19%	$46,943,980	38%
Interest income	$0	0%	$0	0%	$0	0%	$0	0%	$0	0%
Interest expense	$0	0%	$0	0%	$0	0%	$0	0%	$0	0%
Net interest income	$0	0%	$0	0%	$0	0%	$0	0%	$0	0%
Income before taxes	-$2,235,402	-5035%	-$5,921,979	-260%	-$2,603,694	-15%	$10,422,609	19%	$46,943,980	38%
Taxes on income	$0	0%	$0	0%	$0	0%	$1,042,261	2%	$4,694,398	4%
Net Income After Taxes	-$2,235,402	-5035%	-$5,921,979	-260%	-$2,603,694	-15%	$9,380,348	17%	$42,249,582	35%
Growth Analysis										
Sales Growth				5022%		665%		219%		120%
Gross Profit Growth				11%		2442%		284%		170%
Income from Operations Growth				-165%		56%		500%		350%
Net Income After Tax Growth				-165%		56%		460%		350%

Webternity.com
Income Statement

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Year 1	Sales
Revenue														
Advertising	$ 23	$ 46	$ 114	$ 155	$ 232	$ 387	$ 407	$ 610	$ 1,423	$ 1,794	$ 2,391	$ 4,185	$ 11,765	26%
Premium services	$ -	$ -	$ -	$ -	$ -	$ -	$ 508	$ 762	$ 1,777	$ 5,543	$ 7,391	$ 12,934	$ 28,915	65%
Affiliate & Direct E-commerce	$ 10	$ 20	$ 49	$ 66	$ 100	$ 166	$ 162	$ 243	$ 567	$ 584	$ 730	$ 1,022	$ 3,718	8%
Archived Accounts	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0%
Total revenue	$ 33	$ 65	$ 163	$ 221	$ 332	$ 553	$ 1,077	$ 1,615	$ 3,768	$ 7,920	$ 10,512	$ 18,141	$ 44,398	100%
Cost of goods sold														
Product expense	$ 17,667	$ 17,667	$ 17,667	$ 22,083	$ 22,083	$ 22,083	$ 26,500	$ 26,500	$ 26,500	$ 39,750	$ 39,750	$ 39,750	$ 318,000	716%
Gross profit	$ (17,634)	$ (17,602)	$ (17,504)	$ (21,862)	$ (21,752)	$ (21,531)	$ (25,423)	$ (24,885)	$ (22,732)	$ (31,830)	$ (29,238)	$ (21,609)	$ (273,602)	-616%
% of Total Sales	-54233%	-27066%	-10767%	-9888%	-6558%	-3895%	-2362%	-1541%	-603%	-402%	-278%	-119%	-616%	
Operating expenses														
Direct costs	$ 72,067	$ 144,133	$ 162,150	$ 126,117	$ 135,125	$ 120,712	$ 120,712	$ 120,712	$ 151,340	$ 216,200	$ 180,167	$ 180,167	$ 1,729,600	3896%
Indirect costs and overhead	$ 9,675	$ 19,350	$ 21,769	$ 16,931	$ 18,141	$ 16,206	$ 16,206	$ 16,206	$ 20,318	$ 29,025	$ 24,188	$ 24,188	$ 232,200	523%
Total operating expenses	$ 81,742	$ 163,483	$ 183,919	$ 143,048	$ 153,266	$ 136,917	$ 136,917	$ 136,917	$ 171,658	$ 245,225	$ 204,354	$ 204,354	$ 1,961,800	4419%
% of Total Sales	251392%	251392%	113126%	64696%	46212%	24770%	12719%	8479%	4556%	3096%	1944%	1127%	4419%	
Income from operations	$ (99,376)	$ (181,085)	$ (201,423)	$ (164,910)	$ (175,017)	$ (158,448)	$ (162,341)	$ (161,803)	$ (194,390)	$ (277,055)	$ (233,592)	$ (225,964)	$ (2,235,402)	-5035%
% of Total Sales	-305625%	-278458%	-123893%	-74584%	-52770%	-28665%	-15080%	-10020%	-5159%	-3498%	-2222%	-1246%	-5035%	
Interest income	$ -	$ -	$ -	$ -	$ -	$ -	$.	$ -	$ -	$ -	$ -	$ -	$ -	0%
Interest expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0%
Net interest income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0%
Income before taxes	$ (99,376)	$ (181,085)	$ (201,423)	$ (164,910)	$ (175,017)	$ (158,448)	$ (162,341)	$ (161,803)	$ (194,390)	$ (277,055)	$ (233,592)	$ (225,964)	$ (2,235,402)	-5035%
Taxes on income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0%
Net income after taxes	$ (99,376)	$ (181,085)	$ (201,423)	$ (164,910)	$ (175,017)	$ (158,448)	$ (162,341)	$ (161,803)	$ (194,390)	$ (277,055)	$ (233,592)	$ (225,964)	$ (2,235,402)	-5035%
% of Total Sales	-305625%	-278458%	-123893%	-74584%	-52770%	-28665%	-15080%	-10020%	-5159%	-3498%	-2222%	-1246%	-5035%	

Webternity.com
Income Statement

Year 3

Revenue	Q1	Q2	Q3	Q4	Year 3	% of Total Sales
Advertising	$ 197,745	$ 806,395	$ 288,447	$ 1,055,993	$ 2,348,579	14%
Premium services	$ 315,392	$ 1,070,408	$ 471,570	$ 1,529,155	$ 3,386,525	19%
Affiliate & Direct E-commerce	$ 391,398	$ 1,368,549	$ 775,905	$ 1,955,070	$ 4,490,922	26%
Archived Accounts	$ 531,712	$ 1,863,923	$ 927,112	$ 3,846,190	$ 7,168,936	41%
Total revenue	$ 1,436,247	$ 5,109,274	$ 2,463,034	$ 8,386,407	$ 17,394,962	100%
Cost of goods sold						
Product expense	$ 1,164,850	$ 3,727,521	$ 1,630,790	$ 4,659,401	$ 11,182,562	
Gross profit	$ 271,397	$ 1,381,754	$ 832,243	$ 3,727,006	$ 6,212,400	36%
% of Total Sales	19%	27%	34%	44%	36%	
Operating expenses						
Direct costs	$ 1,795,112	$ 2,154,135	$ 2,513,157	$ 1,436,090	$ 7,898,494	45%
Indirect costs and overhead	$ 208,545	$ 250,254	$ 291,964	$ 166,836	$ 917,600	5%
Total operating expenses	$ 2,003,658	$ 2,404,389	$ 2,805,121	$ 1,602,926	$ 8,816,094	51%
% of Total Sales	140%	47%	114%	19%	51%	
Income from operations	$ (1,732,260)	$ (1,022,636)	$ (1,972,877)	$ 2,124,080	$ (2,603,694)	-15%
% of Total Sales	-121%	-20%	-80%	25%	-15%	
Interest Income						0%
Interest expense						0%
Net Interest Income						0%
Income before taxes	$ (1,732,260)	$ (1,022,636)	$ (1,972,877)	$ 2,124,080	$ (2,603,694)	-15%
Taxes on income						0%
Net income after taxes	$ (1,732,260)	$ (1,022,636)	$ (1,972,877)	$ 2,124,080	$ (2,603,694)	-15%
% of Total Sales	-121%	-20%	-80%	25%	-15%	

Year 2

Revenue	Q1	Q2	Q3	Q4	Year 2	% of Total Sales
Advertising	$ 28,652	$ 42,466	$ 75,204	$ 104,282	$ 250,604	11%
Premium services	$ 116,406	$ 180,767	$ 259,671	$ 476,274	$ 1,033,117	45%
Affiliate & Direct E-commerce	$ 12,877	$ 19,086	$ 98,402	$ 126,680	$ 257,046	11%
Archived Accounts	$ -	$ -	$ 317,376	$ 415,794	$ 733,170	32%
Total revenue	$ 167,936	$ 242,318	$ 750,654	$ 1,123,030	$ 2,273,938	100%
Cost of goods sold						
Product expense	$ 209,859	$ 419,718	$ 839,437	$ 1,049,296	$ 2,518,310	111%
Gross profit	$ (51,923)	$ (177,400)	$ (88,783)	$ 73,734	$ (244,372)	-11%
% of Total Sales	-33%	-73%	-12%	7%	-11%	
Operating expenses						
Direct costs	$ 1,146,514	$ 1,375,817	$ 1,605,120	$ 917,212	$ 5,044,663	222%
Indirect costs and overhead	$ 143,851	$ 172,621	$ 201,391	$ 115,081	$ 632,944	28%
Total operating expenses	$ 1,290,365	$ 1,548,438	$ 1,806,511	$ 1,032,292	$ 5,677,607	250%
% of Total Sales	817%	639%	241%	92%	250%	
Income from operations	$ (1,342,289)	$ (1,725,839)	$ (1,895,294)	$ (958,558)	$ (5,921,979)	-260%
% of Total Sales	-850%	-712%	-252%	-85%	-260%	
Interest Income						0%
Interest expense						0%
Net Interest Income						0%
Income before taxes	$ (1,342,289)	$ (1,725,839)	$ (1,895,294)	$ (958,558)	$ (5,921,979)	-260%
Taxes on income						0%
Net income after taxes	$ (1,342,289)	$ (1,725,839)	$ (1,895,294)	$ (958,558)	$ (5,921,979)	-260%
% of Total Sales	-850%	-712%	-252%	-85%	-260%	

Webternity.com
Total Revenue Projections

Webternity.com
Total revenue projections

Year/Quarter	Average subscribers per quarter	Ad revenue	Premium revenue	E-commerce revenue	Archived revenue	Total revenue per quarter	Revenue per subscriber per quarter	Ad revenue % Total	Premium revenue % Total	E-commerce revenue % Total	Archived revenue % Total	Total %
Year 1												
Q1	6,250	$182	$0	$78	$0	$260	$0.04	70%	0%	30%	0%	100%
Q2	26,563	$774	$0	$332	$0	$1,106	$0.04	70%	0%	30%	0%	100%
Q3	77,797	$2,440	$3,047	$972	$0	$6,459	$0.08	38%	47%	15%	0%	100%
Q4	186,824	$8,370	$25,868	$2,335	$0	$36,573	$0.20	23%	71%	6%	0%	100%
Total		$11,765	$28,915	$3,718	$0	$44,398		26%	65%	8%	0%	100%
Year 2												
Q1	330,192	$28,652	$116,406	$12,877	$0	$157,936	$0.48	18%	74%	8%	0%	100%
Q2	489,376	$42,466	$180,767	$19,086	$0	$242,318	$0.50	18%	75%	8%	0%	100%
Q3	669,404	$75,204	$259,671	$98,402	$317,376	$750,654	$1.12	10%	35%	13%	42%	100%
Q4	861,772	$104,282	$476,274	$126,680	$415,794	$1,123,030	$1.30	9%	42%	11%	37%	100%
Total		$250,604	$1,033,117	$257,046	$733,170	$2,273,938		11%	45%	11%	32%	100%
Year 3												
Q1	1,126,744	$197,745	$806,395	$288,447	$1,055,993	$2,348,579	$2.08	8%	34%	12%	45%	100%
Q2	1,464,503	$315,392	$1,070,408	$471,570	$1,529,155	$3,386,525	$2.31	9%	32%	14%	45%	100%
Q3	1,817,107	$391,398	$1,368,549	$775,905	$1,955,070	$4,490,922	$2.47	9%	30%	17%	44%	100%
Q4	2,171,223	$531,712	$1,863,923	$927,112	$3,846,190	$7,168,936	$3.30	7%	26%	13%	54%	100%
Total		$1,436,247	$5,109,274	$2,463,034	$8,386,407	$17,394,962		8%	29%	14%	48%	100%
Year 4												
Q1	2,521,182	$1,144,200	$2,495,739	$1,512,709	$4,506,196	$9,658,844	$3.83	12%	26%	16%	47%	100%
Q2	2,878,496	$1,266,090	$3,194,602	$1,727,097	$5,590,553	$11,778,342	$4.09	11%	27%	15%	47%	100%
Q3	3,230,905	$1,421,539	$3,617,950	$2,248,710	$8,441,884	$15,730,083	$4.87	9%	23%	14%	54%	100%
Q4	3,532,298	$1,846,534	$4,789,804	$2,458,479	$9,313,508	$18,408,325	$5.21	10%	26%	13%	51%	100%
Total		$5,678,363	$14,098,095	$7,946,996	$27,852,140	$55,575,594		10%	25%	14%	50%	100%
Year 5												
Q1	3,844,792	$2,412,775	$7,030,320	$2,787,474	$13,519,846	$25,750,415	$6.70	9%	27%	11%	53%	100%
Q2	4,144,339	$2,890,029	$8,198,456	$3,004,646	$14,640,101	$28,733,231	$6.93	10%	29%	10%	51%	100%
Q3	4,426,741	$2,999,302	$10,054,681	$3,209,387	$15,710,438	$31,973,808	$7.22	9%	31%	10%	49%	100%
Q4	4,685,104	$3,810,351	$12,027,308	$3,396,701	$16,704,595	$35,938,954	$7.67	11%	33%	9%	46%	100%
Total		$12,112,456	$37,310,765	$12,398,208	$60,574,980	$122,396,409		10%	30%	10%	49%	100%

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Webternity.com
Ad Revenues

Year/Quarter	Average subscribers for quarter	Size of average homestead (pages)	Average page inventory	Average subscriber visits per homestead per quarter	Average page views per subscriber visit	Total subscriber page views per homestead per quarter	Total subscriber page views per quarter	Visitor visits per homestead per quarter	Total visitor visits per quarter	Average page views per visitor visit	Total visitor page views per homestead per quarter	Total visitor page views per quarter	Total page views per homestead per quarter	Archived Accounts	Archived Page Views per quarter	Total system Page views per quarter (millions)	Average industry ad sell-through	Discount factor for lower ad sell-through	Ad impressions sold (millions)	AVG.CPM (revenue per 000 ads sold)	Quarterly ad revenue
Year 1																					
Q1	6,250	4	25,000	4	3	13	80,000	2.0	12,500	2.0	4	50,000	17	0	0	0.1	0.7	50%	0.0	$4	$182
Q2	26,563	4	106,250	4	3	13	340,000	2.0	53,125	2.0	4	212,500	17	0	0	0.6	0.7	50%	0.2	$4	$774
Q3	77,797	4	311,188	4	3	13	995,800	2.0	155,594	2.4	4.8	746,850	18	0	0	1.7	0.7	50%	0.6	$4	$2,440
Q4	186,824	5	934,121	5	4	20	3,736,484	2.0	373,648	3.0	6	2,241,891	26	0	0	6.0	0.7	50%	2.1	$4	$8,370
Total	74,358		344,140													2					$11,765
Year 2																					
Q1	330,192	5	1,650,958	5	4	18	5,778,355	3.0	990,575	3.0	9	8,915,176	27	0	0	14.7	0.65	60%	5.7	$5	$28,652
Q2	489,376	5	2,446,878	5	4	18	8,564,072	3.0	1,468,127	3.0	9	13,213,139	27	0	0	21.8	0.65	60%	8.5	$5	$42,466
Q3	669,404	6	4,016,423	6	4	25	16,868,975	3.0	2,008,211	3.6	10.8	21,688,682	36	5,770	8,656	38.6	0.65	60%	15.0	$5	$75,204
Q4	861,772	6	5,170,630	6	4	25	21,716,644	3.0	2,585,315	3.6	10.8	27,921,400	36	13,330	19,996	49.7	0.7	60%	20.9	$5	$104,282
Total	587,686		3,321,222													31					$250,604
Year 3																					
Q1	1,126,744	6	6,760,467	6	4	22	24,337,680	4.0	4,506,978	3.0	12	54,083,733	34	32,530	48,795	78.5	0.6	70%	33.0	$6	$197,745
Q2	1,464,503	7	10,251,522	7	4	29	43,056,393	4.0	5,858,013	3.5	14	82,012,177	43	58,016	87,024	125.2	0.6	70%	52.6	$6	$315,392
Q3	1,817,107	7	12,719,750	7	4	29	53,422,951	4.0	7,268,429	3.5	14	101,758,002	43	90,601	135,901	155.3	0.6	70%	65.2	$6	$391,398
Q4	2,171,223	7	15,198,563	8	4	34	72,953,103	4.0	8,694,893	3.5	14	121,588,506	48	149,773	224,659	194.8	0.65	70%	88.6	$6	$531,712
Total	1,644,895		11,232,576													138					$1,436,247
Year 4																					
Q1	2,521,182	8	20,169,455	8	4	32	80,677,818	5.5	13,866,500	3.2	17.6	244,050,401	50	219,099	328,648	325.1	0.55	80%	143.0	$8	$1,144,200
Q2	2,878,496	8	23,027,966	7	4	28	80,597,881	5.5	15,831,727	3.2	17.6	278,638,388	46	298,964	448,446	359.7	0.55	80%	158.3	$8	$1,266,090
Q3	3,230,905	8	25,847,239	7	4	28	90,465,337	5.5	17,769,977	3.2	17.6	312,751,592	46	419,582	629,343	403.8	0.55	80%	177.7	$8	$1,421,539
Q4	3,532,298	9	31,790,679	6	5	27	95,372,037	5.5	19,427,637	3.6	19.8	384,867,217	47	552,612	828,919	480.9	0.6	80%	230.8	$8	$1,846,534
Total	3,040,720		25,208,835													392					$5,678,363
Year 5																					
Q1	3,844,792	9	34,603,127	6	5	27	103,809,380	6.0	23,068,751	3.6	21.6	498,285,026	49	732,877	1,099,315	603.2	0.5	80%	241.3	$10	$2,412,775
Q2	4,144,339	10	41,443,392	6	5	30	124,330,176	6.0	24,866,035	4.0	24	596,784,843	54	928,078	1,392,118	722.5	0.5	80%	289.0	$10	$2,890,029
Q3	4,426,741	10	44,267,407	5	5	25	110,668,517	6.0	26,560,444	4.0	24	637,450,658	49	1,137,551	1,706,326	749.8	0.5	80%	299.9	$10	$2,999,302
Q4	4,685,104	10	46,851,043	5	5	25	117,127,608	6.0	28,110,626	4.0	24	674,655,021	49	1,360,279	2,040,418	793.8	0.6	80%	381.0	$10	$3,810,351
Total	4,275,244		41,791,242													717					$12,112,455

Webternity.com
Subscriber Forcast with Premium Archived Revenue Details

Year/Quarter	Quarter beginning subscribers - Archived Accounts	Attrition %	Growth Rate	New Subscribers	Quarter end subscribers	Premium subscribers (percentage)	Premium subscribers	Average monthly revenue per premium subscriber	Quarterly gross revenue from premium subscribers	Archived Accounts (%)	Archived accounts per quarter	Average archiving cost per account	Quarterly gross revenue from archived accounts
Year 1													
Q1	0	0%	N/A	12,500	12,500	0%	0	$2.50	$0	0%	0	$55.00	$0
Q2	12,500	0%	225%	28,125	40,625	0%	0	$2.50	$0	0%	0	$55.00	$0
Q3	40,625	0%	183%	74,344	114,969	1%	406	$2.50	$3,047	0%	0	$55.00	$0
Q4	114,969	0%	125%	143,711	258,680	3%	3,449	$2.50	$25,868	0%	0	$55.00	$0
Year 1 End:	258,680							$2.50			0	$55.00	$0
Year 2													
Q1	258,680	3%	57%	143,024	401,704	5%	12,934	$3.00	$116,406	0%	0	$55.00	$0
Q2	401,704	3%	45%	175,344	577,047	5%	20,085	$3.00	$180,787	0%	0	$55.00	$0
Q3	577,047	3%	33%	184,713	761,760	5%	28,852	$3.00	$259,671	1%	5,770	$55.00	$317,376
Q4	755,990	4%	29%	211,564	967,553	7%	52,919	$3.00	$476,274	1%	7,560	$55.00	$415,794
Year 2 End:	959,994				Y/Y Growth 274%			$3.00			13,330	$55.00	
Year 3													
Q1	959,994	4%	36%	333,502	1,293,495	8%	76,799	$3.50	$806,395	2%	19,200	$55.00	$1,055,993
Q2	1,274,295	4%	31%	380,415	1,654,711	8%	101,944	$3.50	$1,070,408	2%	25,486	$60.00	$1,529,155
Q3	1,629,225	4%	24%	375,764	2,004,989	8%	130,338	$3.50	$1,368,549	2%	32,584	$60.00	$1,955,070
Q4	1,972,405	4%	21%	397,637	2,370,042	9%	177,516	$3.50	$1,863,923	3%	59,172	$65.00	$3,846,190
Year 3 End:	2,310,870				Y/Y Growth 145%			$3.50			136,442	$60.00	
Year 4													
Q1	2,310,870	4%	19%	420,624	2,731,494	9%	207,978	$4.00	$2,495,739	3%	69,326	$65.00	$4,506,196
Q2	2,662,168	4%	17%	432,656	3,094,824	10%	266,217	$4.00	$3,194,602	3%	79,865	$70.00	$5,590,553
Q3	3,014,958	5%	15%	431,893	3,446,851	10%	301,496	$4.00	$3,617,950	4%	120,598	$70.00	$8,441,884
Q4	3,326,253	5%	13%	412,089	3,738,342	12%	399,150	$4.00	$4,789,804	4%	133,050	$70.00	$9,313,508
Year 4 End:	3,605,292				Y/Y Growth 58%			$4.00			402,840	$68.75	
Year 5													
Q1	3,605,292	5%	14%	478,999	4,084,291	13%	468,688	$5.00	$7,030,320	5%	180,265	$75.00	$13,519,846
Q2	3,904,027	5%	13%	480,625	4,384,852	14%	546,564	$5.00	$8,198,456	5%	195,201	$75.00	$14,640,101
Q3	4,189,450	6%	12%	474,581	4,664,031	16%	670,312	$5.00	$10,054,681	5%	209,473	$75.00	$15,710,438
Q4	4,454,559	6%	11%	461,091	4,915,650	18%	801,821	$5.00	$12,027,308	5%	222,728	$75.00	$16,704,595
Year 5 End:	4,692,922				Y/Y Growth 31%			$5.00			807,666	$75.00	

Webternity.com
E-commerce Revenues

Year/Quarter	Average subscribers for quarter	Participation in AFFILIATE e-commerce	Average value affiliate e-commerce transactions	Webternity affiliate transaction fee	Webternity affiliate e-commerce sales	Webternity affiliate e-commerce revenues	Participation in DIRECT e-commerce (Webternity base)	Average direct e-commerce revenue	Direct e-commerce marginal profit	Direct e-commerce sales	Direct e-commerce revenues	Total quarterly e-commerce revenue
Year 1												
Q1	6,250	1%	$25	5.0%	$1,563	$78	0%	$0	0%	$0	$0	$78
Q2	26,563	1%	$25	5.0%	$6,641	$332	0%	$0	0%	$0	$0	$332
Q3	77,797	1%	$25	5.0%	$19,449	$972	0%	$0	0%	$0	$0	$972
Q4	186,824	1%	$25	5.0%	$46,706	$2,335	0%	$0	0%	$0	$0	$2,335
Total						$3,718					$0	$3,718
Year 2												
Q1	330,192	2%	$30	6.5%	$198,115	$12,877	0%	$0	0%	$0	$0	$12,877
Q2	489,376	2%	$30	6.5%	$293,625	$19,086	0%	$0	0%	$0	$0	$19,086
Q3	669,404	2%	$30	6.5%	$401,642	$26,107	3%	$30	12%	$602,463	$72,296	$98,402
Q4	861,772	2%	$30	6.5%	$517,063	$33,609	3%	$30	12%	$775,594	$93,071	$126,680
Total						$91,679					$165,367	$257,046
Year 3												
Q1	1,126,744	4%	$40	7.0%	$1,802,791	$126,195	4%	$30	12%	$1,352,093	$162,251	$288,447
Q2	1,464,503	4%	$40	7.0%	$2,343,205	$164,024	4%	$35	15%	$2,050,304	$307,546	$471,570
Q3	1,817,107	4%	$40	7.0%	$2,907,371	$203,516	6%	$35	15%	$3,815,925	$572,389	$775,905
Q4	2,171,223	4%	$40	7.0%	$3,473,957	$243,177	6%	$35	15%	$4,559,569	$683,935	$927,112
Total						$736,913					$1,726,121	$2,463,034
Year 4												
Q1	2,521,182	8%	$45	6.0%	$9,076,255	$544,575	8%	$40	12%	$8,067,782	$968,134	$1,512,709
Q2	2,878,496	8%	$45	6.0%	$10,362,585	$621,755	8%	$40	12%	$9,211,186	$1,105,342	$1,727,097
Q3	3,230,905	8%	$45	6.0%	$11,631,258	$697,875	10%	$40	12%	$12,923,620	$1,550,834	$2,248,710
Q4	3,532,298	8%	$45	6.0%	$12,716,272	$762,976	10%	$40	12%	$14,129,191	$1,695,503	$2,458,479
Total						$2,627,182					$5,319,813	$7,946,996
Year 5												
Q1	3,844,792	10%	$50	5.5%	$19,223,959	$1,057,318	10%	$45	10%	$17,301,563	$1,730,156	$2,787,474
Q2	4,144,339	10%	$50	5.5%	$20,721,696	$1,139,693	10%	$45	10%	$18,649,526	$1,864,953	$3,004,646
Q3	4,426,741	10%	$50	5.5%	$22,133,703	$1,217,354	10%	$45	10%	$19,920,333	$1,992,033	$3,209,387
Q4	4,685,104	10%	$50	5.5%	$23,425,522	$1,288,404	10%	$45	10%	$21,082,969	$2,108,297	$3,396,701
Total						$4,702,768					$7,695,439	$12,398,208

Webternity.com
Financial Forecast - Summary

	Year 1	Year 2	Year 3	Year 4	Year 5
Subscriber Related Items					
# of Subscribers	258,680	959,994	2,310,870	3,605,292	4,692,922
% Growth		271%	141%	56%	30%
# of Premium Subscribers	3,449	52,919	177,516	399,150	801,821
% Growth		1434%	235%	125%	101%
# of Archived Accounts	0	13,330	136,442	402,840	807,666
% Growth			924%	195%	100%
Income-Related Items					
Total Sales	$ 44,398	$ 2,273,938	$ 17,394,962	$ 55,575,594	$ 122,396,409
% Growth		5022%	665%	219%	120%
Gross Profit	$ (273,602)	$ (244,372)	$ 6,212,400	$ 23,879,265	$ 64,447,769
% Growth		11%	2642%	284%	170%
Income from Operations	$ (2,235,402)	$ (5,921,979)	$ (2,603,694)	$ 10,422,609	$ 46,943,980
% Growth		-165%	56%	500%	350%
Net Income after Taxes	$ (2,235,402)	$ (5,921,979)	$ (2,603,694)	$ 9,380,348	$ 42,249,582
% Growth		-165%	56%	460%	350%
Income Ratios					
Gross Profit Margin	-616%	-11%	36%	43%	53%
Operating Income Margin	-5035%	-260%	-15%	19%	38%
Net Profit Margin	**-5035%**	**-260%**	**-15%**	**17%**	**35%**

	Webternity.com **Start-up Costs**
DIRECT EMPLOYEE EXPENSE	
Operations	
Help Desk Staff (2)	$80,000
Database Administrator	$80,000
Sales & Marketing	
Director of Sales & Marketing	$80,000
Marketing Assistant	$40,000
Engineering	
Director of Technology (SG)	$60,000
Project manager/Software Engineer	$80,000
Java Software engineer(2)	$160,000
QA Engineer	$80,000
General & Administration	
Accountant/Office Manager	$60,000
Product Manager (KD)	$60,000
Director of Business Development	$80,000
Director of Corporate Development (MM)	$60,000
	$920,000
Gross-up 33% taxes and benefits	$303,600
Subtotal salaried employee	$1,223,600
Consultants (one-half equivalents)	
Graphic Artist Consultant(s)	**$50,000**
Network Engineering Consultant	$50,000
Tech Writer/Editor	$40,000
CPA	$30,000
Legal	$50,000
Web Master	**$60,000**
Public Relations	**$40,000**
Subtotal consultants	$320,000
Recruiting expense (15%)	$186,000
Total direct employee expense	$1,729,600
Ratios:	
Number of employees (excluding consultants)	14
Average salary per employee	$65,714
Average direct cost per employee (Avg. Sal. + taxes + Rec. Exp.)	$97,257
Consultants as equivalent employees	4.00
Total equivalent employees	18.0
Average direct cost per equivalent employee	$96,089
INDIRECT EMPLOYEE EXPENSE	
(cost varies by number of employees)	
General office	
Office Space (Approximately 3000 Sq. Ft @ $2.40)	$86,400
Furniture and Office fixtures	$30,000
Utilities	$12,000
Insurance	$15,000
Office supplies and petty cash	$10,000
Subtotal general office expense	$153,400

	Webternity.com Start-up Costs
Office computers and electronics	
Phone System	$2,000
Laser Printer **(3)**	$1,200
Fax Machine **(2)**	$400
6 Desktops	$9,000
1 Marketing Portable Computer	$3,000
3 Development Servers	$6,000
Additional portable computers	$15,000
3 QA Servers	$6,000
4 Engineering workstations	$9,600
Networking equipment	$2,000
Router/Firewall	$3,000
Tape Backup	$400
Office Internet Access	$1,200
Software License	$20,000
Subtotal office computers and electronics	$78,800
Total indirect employee expense	$232,200
Ratios:	
Total equivalent employees	18.0
Average indirect expense per employee	$12,900

PRODUCT EXPENSE
(cost varies by amount of product)

Business development	
Business development expenses	$50,000
Advertising expense	$100,000
Subtotal business development	$150,000

Production equipment and services	
2 Web Servers (Dual Processor)	$4,000
Application Database Server (Capacity for 25,000 accounts)	$6,000
Application Database Server (Capacity for 25,000 accounts)	$6,000
Searching Server (4 processor, initial dual)	$11,000
Proxy Server	$4,000
Database Replication Server	$4,000
Ad Server	$6,000
Other Network Equipment	$2,000
Network Attached Storage	$20,000
Router	$2,500
Tape backup	$3,500
Production T1 Internet Connection (1.5 MBPS Sec)	$14,000
Data Center	$12,000
Subtotal production equipment and services	$95,000

Software Licenses	
Database	$35,000
Operating System	$32,000
Application Server	$2,000
Router/Firewall OS and Software	$4,000
Subtotal software licenses	$73,000
Total product expense	$318,000
Total expense	$2,279,800
Contingency 15%	$341,970
Total adjusted expense	$2,621,770

Webternity.com
Personnel Summary

PERSONNEL / Administrative Expenses - Year 1	January	February	March	April	May	June	July	August	September	October	November	December	Totals
Officers	$ 5,000	$ 10,000	$ 23,333	$ 23,333	$ 23,333	$ 23,333	$ 23,333	$ 23,333	$ 32,500	$ 41,167	$ 41,167	$ 41,167	$ 311,000
Officer Assistants	$ -	$ -	$ -	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 30,000
Customer Service	$ -	$ 3,333	$ 3,333	$ 3,333	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 63,333
Database Personnel	$ -	$ -	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 66,667
Office Manager	$ -	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 55,000
QA Personnel	$ -	$ -	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 50,000
Systems Engineering Personnel	$ -	$ -	$ 5,417	$ 5,417	$ 5,417	$ 5,417	$ 5,417	$ 5,417	$ 5,417	$ 5,417	$ 5,417	$ 5,417	$ 54,167
Software Engineers	$ -	$ 18,333	$ 18,333	$ 18,333	$ 18,333	$ 18,333	$ 18,333	$ 18,333	$ 18,333	$ 18,333	$ 18,333	$ 18,333	$ 201,667
Product Development	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 60,000
Employee Total	$ 5,000	$ 31,667	$ 48,750	$ 52,083	$ 55,417	$ 55,417	$ 55,417	$ 55,417	$ 55,417	$ 55,417	$ 55,417	$ 55,417	$ 580,833
Web Master/Security Engineer	$ -	$ -	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 50,000
Copy Editor/Tech Writer	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 40,000
Prod System/Net Administrator	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 50,000
Controller/CPA	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 30,000
Graphic Artist	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 50,000
Legal	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 50,000
Public Relations	$ -	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 36,667
Consulting Total	$ 18,333	$ 21,667	$ 26,667	$ 26,667	$ 26,667	$ 26,667	$ 26,667	$ 26,667	$ 26,667	$ 26,667	$ 26,667	$ 26,667	$ 306,667
Taxes & Benefits	$ 3,300	$ 13,750	$ 23,788	$ 24,888	$ 25,988	$ 25,988	$ 25,988	$ 25,988	$ 29,013	$ 31,873	$ 31,873	$ 31,873	$ 294,305
Recruiting Cost	$ 33,000	$ 63,000	$ 54,000	$ 6,000	$ 6,000	$ -	$ -	$ -	$ 22,000	$ 20,800	$ -	$ -	$ 204,800
Total Benefits & Recruiting	$ 36,300	$ 76,750	$ 77,788	$ 30,888	$ 31,988	$ 25,988	$ 25,988	$ 25,988	$ 51,013	$ 52,673	$ 31,873	$ 31,873	$ 499,105
Total Administrative Expenses	$ 64,633	$ 140,083	$ 176,538	$ 132,971	$ 137,404	$ 131,404	$ 131,404	$ 131,404	$ 165,596	$ 175,923	$ 155,123	$ 155,123	$ 1,697,605

Webternity.com
Personnel Summary

PERSONNEL	January	February	March	April	May	June	July	August	September	October	November	December	Totals
Administrative Expenses - Year 2													
Officers	48,600	48,950	49,883	49,883	49,883	49,883	49,883	49,883	50,525	51,132	51,132	51,132	600,770
Officer Assistants	6,900	6,900	6,900	7,133	7,133	7,133	7,133	7,133	7,133	7,133	7,133	7,133	84,900
Customer Service	18,200	18,200	18,200	21,767	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	252,367
Database Personnel	6,667	6,667	7,133	11,717	11,717	11,717	11,717	11,717	11,717	11,717	11,717	11,717	125,917
Office Manager	5,000	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	63,850
QA Personnel	4,883	4,883	5,350	9,100	9,100	9,100	9,100	9,100	9,100	9,100	9,100	9,100	97,017
Systems Engineering Personnel	5,796	5,796	5,796	5,796	5,796	5,796	5,796	5,796	5,796	5,796	5,796	5,796	69,550
Software Engineers	28,217	29,617	29,617	34,617	34,617	34,617	39,617	39,617	39,617	39,617	39,617	39,617	429,000
Product Development	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	64,200
Billing & Client Support	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	55,000
Business Development Aanalyst	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	65,000
Bookkeepers	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	50,000
Community Representitives	4,583	4,583	4,583	9,167	9,167	9,167	9,167	9,167	9,167	9,167	9,167	9,167	96,250
Controller/CPA	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	75,000
Ad Sales	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000
Product Marketing Managers	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	55,000
Employee Total	114,346	116,096	117,029	138,746	138,979	138,979	143,979	143,979	143,979	143,979	143,979	143,979	1,628,050
Web Master/Security Engineer	5,000	5,000	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	63,500
Copy Editor/Tech Writer	3,567	3,567	3,567	3,567	3,567	3,567	3,567	3,567	3,567	3,567	3,567	3,567	42,800
Prod System/Net Administrator	4,458	4,458	4,458	4,458	4,458	4,458	4,458	4,458	4,458	4,458	4,458	4,458	53,500
Statistitions (Logs and Demograph)	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
Graphic Artist	8,917	8,917	8,917	8,917	8,917	8,917	8,917	8,917	8,917	8,917	8,917	8,917	107,000
Legal	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	250,000
Public Relations	6,667	6,667	6,667	6,667	6,667	6,667	13,333	13,333	13,333	13,333	13,333	13,333	120,000
Storage Area Network Eng.	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Special Projects	6,667	6,667	6,667	10,000	10,000	10,000	13,333	13,333	13,333	10,000	10,000	10,000	120,000
Consulting Total	63,608	63,608	63,958	67,292	67,292	67,292	77,292	77,292	77,292	73,958	73,958	73,958	846,800
Taxes & Benefits	53,772	54,465	55,081	62,248	62,325	62,325	63,975	63,975	64,186	64,387	64,387	64,387	735,511
Recruit Cost	155,240	-	-	51,560	-	-	12,000	-	-	-	-	-	218,800
Total Benefits & Recruiting	209,012	54,465	55,081	113,808	62,325	62,325	75,975	63,975	64,186	64,387	64,387	64,387	954,311
Total Administrative Expenses	435,566	283,119	285,952	369,728	318,479	318,479	347,129	335,129	335,982	333,456	333,456	333,456	4,029,931

Webternity.com
Personnel Details

PERSONNEL	Annual Salary	January	February	March	April	May	June	July	August	September	October	November	December	Totals
Year 1														
Officers														
CEO	$ -													$ -
President	$ 110,000	-	-	-	-	-	-	-	-	9,167	9,167	9,167	9,167	$ 36,667
COO	$ -													$ -
Dir Corporate Development	$ 60,000	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	$ 55,000
Dir Business Development	$ 80,000	-	-	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	$ 66,667
Dir. Sales & Marketing	$ 80,000	-	-	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	$ 66,667
VP Consulting	$ -													$ -
VP Human Resources	$ -													$ -
CTO	$ 60,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	$ 60,000
CFO	$ 104,000	-	-	-	-	-	-	-	-	-	8,667	8,667	8,667	$ 26,000
Total		$ 5,000	$ 10,000	$ 23,333	$ 23,333	$ 23,333	$ 23,333	$ 23,333	$ 23,333	$ 32,500	$ 41,167	$ 41,167	$ 41,167	$ 311,000
No. Officers		1	2	4	4	4	4	4	4	5	6	6	6	6
New Hires		0	1	2	0	0	0	0	0	1	1	0	0	0
EMPLOYEES														
Officer Assistants														
Salary	$ 40,000													
Personnel Count		0	0	0	1	1	1	1	1	1	1	1	1	
Total Cost		$ -	$ -	$ -	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 30,000
Customer Service Reps														
Salary	$ 40,000													
Personnel Count		0	0	1	1	2	2	2	2	2	2	2	2	
Total Cost		$ -	$ 3,333	$ 3,333	$ 3,333	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 63,333
Database Personnel														
Salary	$ 80,000													
Personnel Count		0	0	1	1	1	1	1	1	1	1	1	1	
Total Cost		$ -	$ -	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 66,667
Office Manager/Accountant														
Salary	$ 60,000													
Personnel Count		0	1	1	1	1	1	1	1	1	1	1	1	
Total Cost		$ -	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 55,000
QA/Testing Engineer														
Salary	$ 60,000													
Personnel Count		0	0	1	1	1	1	1	1	1	1	1	1	
Total Cost		$ -	$ -	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 50,000
System Engineer														
Salary	$ 65,000													
Personnel Count		0	0	1	1	1	1	1	1	1	1	1	1	
Total Cost		$ -	$ -	$ 5,417	$ 5,417	$ 5,417	$ 5,417	$ 5,417	$ 5,417	$ 5,417	$ 5,417	$ 5,417	$ 5,417	$ 54,167

Webternity.com
Personnel Details

PERSONNEL Year 1	January	February	March	April	May	June	July	August	September	October	November	December	Totals
Software Engineers													
Salary	$ 70,000												
Personnel Count	0	2	2	2	2	2	2	2	2	2	2	2	
Total Cost	$ -	$ 11,667	$ 11,667	$ 11,667	$ 11,667	$ 11,667	$ 11,667	$ 11,667	$ 11,667	$ 11,667	$ 11,667	$ 11,667	$ 128,333
Project Manager/Software Eng													
Salary	$ 80,000												
Personnel Count	0	1	1	1	1	1	1	1	1	1	1	1	
Total Cost	$ -	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 73,333
Product Development Manager													
Salary	$ 60,000												
Personnel Count	1	1	1	1	1	1	1	1	1	1	1	1	
Total Cost	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 60,000
Employee Totals													
Total Employee Salary	$ 5,000	$ 31,667	$ 48,750	$ 52,083	$ 55,417	$ 55,417	$ 55,417	$ 55,417	$ 55,417	$ 55,417	$ 55,417	$ 55,417	$ 580,833
Number of Employees	1	6	9	10	11	11	11	11	11	11	11	11	
New Hires	0	5	3	1	1	0	0	0	0	0	0	0	
Consultants													
Webmaster/Security Manager													
Salary	$ 60,000												
Personnel Count	0	0	1	1	1	1	1	1	1	1	1	1	
Total Cost	$ -	$ -	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 50,000
Web Copy Editor/Tech Write													
Salary	$ 40,000												
Personnel Count	1	1	1	1	1	1	1	1	1	1	1	1	
Total Cost	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 40,000
Prod. Systems/Net Administrator													
Salary	$ 50,000												
Personnel Count	1	1	1	1	1	1	1	1	1	1	1	1	
Total Cost	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 50,000
Controller/CPA													
Salary	$ 30,000												
Personnel Count	1	1	1	1	1	1	1	1	1	1	1	1	
Total Cost	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 30,000
Graphic Artist													
Salary	$ 50,000												
Personnel Count	1	1	1	1	1	1	1	1	1	1	1	1	
Total Cost	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 50,000

Webternity.com
Personnel Details

PERSONNEL Year 1	January	February	March	April	May	June	July	August	September	October	November	December	Totals
Legal													
Salary	$ 50,000												
Personnel Count		1	1	1	1	1	1	1	1	1	1	1	
Total Cost	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 50,000
Public Relations													
Salary	$ 40,000												
Personnel Count	0	1	1	1	1	1	1	1	1	1	1	1	
Total Cost	$ -	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 36,667
Consulting Totals													
Total Salary	$ 18,333	$ 21,667	$ 26,667	$ 26,667	$ 26,667	$ 26,667	$ 26,667	$ 26,667	$ 26,667	$ 26,667	$ 26,667	$ 26,667	$ 306,667
Number Of Consultants	5	6	7	7	7	7	7	7	7	7	7	7	
New Hires	5	1	1	0	0	0	0	0	0	0	0	0	
Administrative Costs													
Total New Hires	5	7	6	1	1	0	0	0	1	1	0	0	
Employee Taxes & Benefits (33%)	$ 3,300	$ 13,750	$ 23,788	$ 24,888	$ 25,988	$ 25,988	$ 25,988	$ 25,988	$ 29,013	$ 31,873	$ 31,873	$ 31,873	$ 294,305
Recruiting Cost (15%)	$ 33,000	$ 63,000	$ 54,000	$ 6,000	$ 6,000	$ -	$ -	$ -	$ 22,000	$ 20,800	$ -	$ -	$ 204,800
Total Administrative Cost	$ 36,300	$ 76,750	$ 77,788	$ 30,888	$ 31,988	$ 25,988	$ 25,988	$ 25,988	$ 51,013	$ 52,673	$ 31,873	$ 31,873	$ 499,105
Total No. Officers	1	2	4	4	4	4	4	4	5	6	6	6	
Total No. Employees	1	6	9	10	11	11	11	11	11	11	11	11	
Total No. Consultants	5	6	7	7	7	7	7	7	7	7	7	7	
Total Officer Salaries	$ 5,000	$ 10,000	$ 23,333	$ 23,333	$ 23,333	$ 23,333	$ 23,333	$ 23,333	$ 32,500	$ 41,167	$ 41,167	$ 41,167	$ 311,000
Total Employee Salaries	$ 5,000	$ 31,667	$ 48,750	$ 52,083	$ 55,417	$ 55,417	$ 55,417	$ 55,417	$ 55,417	$ 55,417	$ 55,417	$ 55,417	$ 580,833
Total Consultant Salaries	$ 18,333	$ 21,667	$ 26,667	$ 26,667	$ 26,667	$ 26,667	$ 26,667	$ 26,667	$ 26,667	$ 26,667	$ 26,667	$ 26,667	$ 306,667
Total Administrative Cost	$ 36,300	$ 76,750	$ 77,788	$ 30,888	$ 31,988	$ 25,988	$ 25,988	$ 25,988	$ 51,013	$ 52,673	$ 31,873	$ 31,873	$ 499,105
Salaries and Admin.													
Total Direct Cost	$ 64,633	$ 140,083	$ 176,538	$ 132,971	$ 137,404	$ 131,404	$ 131,404	$ 131,404	$ 165,596	$ 175,923	$ 155,123	$ 155,123	$ 1,697,605
Quarterly			$ 381,254			$ 401,779			$ 428,404			$ 486,168	

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Personnel Details

PERSONNEL Year 2	Annual Salary	January	February	March	April	May	June	July	August	September	October	November	December	Totals
Officers														
CEO	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
President	$ 110,000	9,167	9,167	9,167	9,167	9,167	9,167	9,167	9,167	9,167	9,808	9,808	9,808	112,567
COO	$ 85,000	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	85,000
Dir Corporate Development	$ 60,000	5,000	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	63,850
Dir Business Development	$ 80,000	6,667	6,667	7,133	7,133	7,133	7,133	7,133	7,133	7,133	7,133	7,133	7,133	84,667
Dir Sales & Marketing	$ 80,000	6,667	6,667	7,133	7,133	7,133	7,133	7,133	7,133	7,133	7,133	7,133	7,133	84,667
VP Consulting	$ -	-	-	-	-	-	-	-	-	-	-	-	-	-
VP Human Resources	$ -	-	-	-	-	-	-	-	-	-	-	-	-	-
CTO	$ 64,200	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	64,200
CFO	$ 104,000	8,667	8,667	8,667	8,667	8,667	8,667	8,667	8,667	8,667	9,273	9,273	9,273	105,820
Total		$ 48,600	48,950	49,883	49,883	49,883	49,883	49,883	49,883	50,525	51,132	51,132	51,132	600,770
No. Officers		7	7	7	7	7	7	7	7	7	7	7	7	7
New Hires		1	0	0	0	0	0	0	0	0	0	0	0	0
EMPLOYEES														
Officer Assistants														
Salary	$ 42,800													
Personnel Count	+1	2	2	2	2	2	2	2	2	2	2	2	2	
Total Cost		$ 6,900	6,900	6,900	7,133	7,133	7,133	7,133	7,133	7,133	7,133	7,133	7,133	84,900
Customer Service Reps.														
Salary	$ 42,800													
Personnel Count	+4	4	4	4	5	5	5	5	5	5	5	5	5	5
Total Cost		$ 14,033	14,033	14,033	17,600	17,833	17,833	17,833	17,833	17,833	17,833	17,833	17,833	202,367
Senior Database Administrator														
Salary	$ 85,600													
Personnel Count	+1	1	1	1	1	1	1	1	1	1	1	1	1	
Total Cost		$ 6,667	6,667	7,133	7,133	7,133	7,133	7,133	7,133	7,133	7,133	7,133	7,133	84,667
Database Administrator														
Salary	$ 55,000													
Personnel Count	+1	0	0	0	1	1	1	1	1	1	1	1	1	
Total Cost		$ -	-	-	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	41,250
Office Manager														
Salary	$ 64,200													
Personnel Count		1	1	1	1	1	1	1	1	1	1	1	1	
Total Cost		$ 5,000	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	63,850
QA Test Manager														
Salary	$ 64,200													
Personnel Count		1	1	1	1	1	1	1	1	1	1	1	1	
Total Cost		$ 4,883	4,883	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	63,267

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Personnel Details

PERSONNEL Year 2	January	February	March	April	May	June	July	August	September	October	November	December	Totals
QA Test Engineer													
Salary	$ 45,000												
Personnel Count	+1	0	0	0	1	1	1	1	1	1	1	1	
Total Cost	$ -	$ -	$ -	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 33,750
System Engineer													
Salary	$ 69,550												
Personnel Count	1	1	1	1	1	1	1	1	1	1	1	1	
Total Cost	$ 5,796	$ 5,796	$ 5,796	$ 5,796	$ 5,796	$ 5,796	$ 5,796	$ 5,796	$ 5,796	$ 5,796	$ 5,796	$ 5,796	$ 69,550
Software Engineer													
Salary	$ 60,000												
Personnel Count	+4	2	2	2	3	3	3	4	4	4	4	4	
Total Cost	$ 10,000	$ 10,000	$ 10,000	$ 15,000	$ 15,000	$ 15,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 195,000
Senior Software Engineer													
Salary	$ 74,900												
Personnel Count	2	2	2	2	2	2	2	2	2	2	2	2	
Total Cost	$ 11,550	$ 12,483	$ 12,483	$ 12,483	$ 12,483	$ 12,483	$ 12,483	$ 12,483	$ 12,483	$ 12,483	$ 12,483	$ 12,483	$ 148,867
Project Manager/Software Eng													
Salary	$ 85,600												
Personnel Count	1	1	1	1	1	1	1	1	1	1	1	1	
Total Cost	$ 6,667	$ 7,133	$ 7,133	$ 7,133	$ 7,133	$ 7,133	$ 7,133	$ 7,133	$ 7,133	$ 7,133	$ 7,133	$ 7,133	$ 85,133
Product Development Manager													
Salary	$ 64,200												
Personnel Count	1	1	1	1	1	1	1	1	1	1	1	1	
Total Cost	$ 5,350	$ 5,350	$ 5,350	$ 5,350	$ 5,350	$ 5,350	$ 5,350	$ 5,350	$ 5,350	$ 5,350	$ 5,350	$ 5,350	$ 64,200
Billing & Client Support													
Salary	$ 55,000												
Personnel Count	+1	1	1	1	1	1	1	1	1	1	1	1	
Total Cost	$ 4,583	$ 4,583	$ 4,583	$ 4,583	$ 4,583	$ 4,583	$ 4,583	$ 4,583	$ 4,583	$ 4,583	$ 4,583	$ 4,583	$ 55,000
Business Development Aanalyst													
Salary	$ 65,000												
Personnel Count	+1	1	1	1	1	1	1	1	1	1	1	1	
Total Cost	$ 5,417	$ 5,417	$ 5,417	$ 5,417	$ 5,417	$ 5,417	$ 5,417	$ 5,417	$ 5,417	$ 5,417	$ 5,417	$ 5,417	$ 65,000
Customer Service Supervisor													
Salary	$ 50,000												
Personnel Count	1	1	1	1	1	1	1	1	1	1	1	1	
Total Cost	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 50,000
Bookkeepers/Accountant													
Salary	$ 50,000												
Personnel Count	+1	1	1	1	1	1	1	1	1	1	1	1	
Total Cost	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 50,000

Webternity.com
Personnel Details

PERSONNEL Year 2		January	February	March	April	May	June	July	August	September	October	November	December	Totals
Community/Content Representitives														
Salary	$ 55,000													
Personnel Count	+2	1	1	1	2	2	2	2	2	2	2	2	2	
Total Cost		$ 4,583	$ 4,583	$ 4,583	$ 9,167	$ 9,167	$ 9,167	$ 9,167	$ 9,167	$ 9,167	$ 9,167	$ 9,167	$ 9,167	$ 96,250
Ad Sales														
Salary	$ 45,000													
Personnel Count	+1	1	1	1	1	1	1	1	1	1	1	1	1	
Total Cost		$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 45,000
Product Marketing														
Salary	$ 55,000													
Personnel Count	+1	1	1	1	1	1	1	1	1	1	1	1	1	
Total Cost		$ 4,583	$ 4,583	$ 4,583	$ 4,583	$ 4,583	$ 4,583	$ 4,583	$ 4,583	$ 4,583	$ 4,583	$ 4,583	$ 4,583	$ 55,000
Controller/CPA														
Salary	$ 75,000													
Personnel Count	+1	1	1	1	1	1	1	1	1	1	1	1	1	
Total Cost		$ 6,250	$ 6,250	$ 6,250	$ 6,250	$ 6,250	$ 6,250	$ 6,250	$ 6,250	$ 6,250	$ 6,250	$ 6,250	$ 6,250	$ 75,000
Employee Totals														
Total Employee Salary		$ 114,346	$ 116,096	$ 117,029	$ 138,746	$ 138,979	$ 138,979	$ 143,979	$ 143,979	$ 143,979	$ 143,979	$ 143,979	$ 143,979	$ 1,628,050
Number of Employees		24	24	24	29	29	29	30	30	30	30	30	30	
New Hires		13	0	0	5	0	0	1	0	0	0	0	0	
Consultants														
Webmaster Security Manager														
Salary	$ 64,200													
Personnel Count		1	1	1	1	1	1	1	1	1	1	1	1	
Total Cost		$ 5,000	$ 5,000	$ 5,350	$ 5,350	$ 5,350	$ 5,350	$ 5,350	$ 5,350	$ 5,350	$ 5,350	$ 5,350	$ 5,350	$ 63,500
Web Copy Editor/Tech Write														
Salary	$ 42,800													
Personnel Count		1	1	1	1	1	1	1	1	1	1	1	1	
Total Cost		$ 3,567	$ 3,567	$ 3,567	$ 3,567	$ 3,567	$ 3,567	$ 3,567	$ 3,567	$ 3,567	$ 3,567	$ 3,567	$ 3,567	$ 42,800
Prod. Systems/Net Administrator														
Salary	$ 53,500													
Personnel Count		1	1	1	1	1	1	1	1	1	1	1	1	
Total Cost		$ 4,458	$ 4,458	$ 4,458	$ 4,458	$ 4,458	$ 4,458	$ 4,458	$ 4,458	$ 4,458	$ 4,458	$ 4,458	$ 4,458	$ 53,500
Statistitian (Logs and Demography)														
Salary	$ 30,000													
Personnel Count	+1	1	1	1	1	1	1	1	1	1	1	1	1	
Total Cost		$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 30,000

Webternity.com
Personnel Details

PERSONNEL Year 2		January	February	March	April	May	June	July	August	September	October	November	December	Totals
Graphic Artist														
Salary	$ 53,500													
Personnel Count	+1													
Total Cost		$ 8,917	$ 8,917	$ 8,917	$ 8,917	$ 8,917	$ 8,917	$ 8,917	$ 8,917	$ 8,917	$ 8,917	$ 8,917	$ 8,917	$ 107,000
Legal														
Salary	$ 125,000													
Personnel Count	+1	2	2	2	2	2	2	2	2	2	2	2	2	
Total Cost		$ 20,833	$ 20,833	$ 20,833	$ 20,833	$ 20,833	$ 20,833	$ 20,833	$ 20,833	$ 20,833	$ 20,833	$ 20,833	$ 20,833	$ 250,000
Public Relations														
Salary	$ 80,000													
Personnel Count	+1	1	1	1	1	1	1	2	2	2	2	2	2	
Total Cost		$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 13,333	$ 13,333	$ 13,333	$ 13,333	$ 13,333	$ 13,333	$ 120,000
Storage Area Network Eng.														
Salary	$ 60,000													
Personnel Count	+1	1	1	1	1	1	1	1	1	1	1	1	1	
Total Cost		$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 60,000
Special Projects														
Salary	$ 40,000													
Personnel Count		2	2	2	3	3	3	4	4	4	3	3	3	
Total Cost		$ 6,667	$ 6,667	$ 6,667	$ 10,000	$ 10,000	$ 10,000	$ 13,333	$ 13,333	$ 13,333	$ 10,000	$ 10,000	$ 10,000	$ 120,000
Consulting Totals														
Total Salary		$ 63,608	$ 63,608	$ 63,958	$ 67,292	$ 67,292	$ 67,292	$ 77,292	$ 77,292	$ 77,292	$ 73,958	$ 73,958	$ 73,958	$ 846,800
Number Of Constants		12	12	12	13	13	13	15	15	15	14	14	14	
New Hires		5	0	0	1	0	0	2	0	0	-1	0	0	
Administrative Costs														
New Hires		19	0	0	6	0	0	3	0	0	-1	0	0	
Employee Taxes & Benefits	33%	$ 53,772	$ 54,465	$ 55,081	$ 62,248	$ 62,325	$ 62,325	$ 63,975	$ 63,975	$ 64,186	$ 64,387	$ 64,387	$ 64,387	$ 735,511
Recruiting Cost (Employees Only)	20%	$ 155,240	$ -	$ -	$ 51,560	$ -	$ 12,000	$ 12,000	$ -	$ -	$ -	$ -	$ -	$ 218,800
Total Administrative Cost		$ 209,012	$ 54,465	$ 55,081	$ 113,808	$ 62,325	$ 62,325	$ 75,975	$ 63,975	$ 64,186	$ 64,387	$ 64,387	$ 64,387	$ 954,311
Salaries and Admin.														
Total No. Officers		7	7	7	7	7	7	7	7	7	7	7	7	
Total No. Employees		24	24	24	29	29	29	30	30	30	30	30	30	
Total No. Consultants		12	12	12	13	13	13	15	15	15	14	14	14	
Total Officer Salaries		$ 48,600	$ 48,950	$ 49,883	$ 49,883	$ 49,883	$ 49,883	$ 49,883	$ 49,883	$ 50,525	$ 51,132	$ 51,132	$ 51,132	$ 600,770
Total Employee Salaries		$ 114,346	$ 116,096	$ 117,029	$ 138,746	$ 138,979	$ 138,979	$ 143,979	$ 143,979	$ 143,979	$ 143,979	$ 143,979	$ 143,979	$ 1,628,050
Total Consultant Salaries		$ 63,608	$ 63,608	$ 63,958	$ 67,292	$ 67,292	$ 67,292	$ 77,292	$ 77,292	$ 77,292	$ 73,958	$ 73,958	$ 73,958	$ 846,800
Total Administrative Cost		$ 209,012	$ 54,465	$ 55,081	$ 113,808	$ 62,325	$ 62,325	$ 75,975	$ 63,975	$ 64,186	$ 64,387	$ 64,387	$ 64,387	$ 954,311
Salaries and Admin.														
Total Cost		$ 435,566	$ 283,119	$ 285,952	$ 369,728	$ 318,479	$ 318,479	$ 347,129	$ 335,129	$ 335,982	$ 333,456	$ 333,456	$ 333,456	$ 4,029,931
Quarterly		$ 1,004,638			$ 1,006,686			$ 1,018,240			$ 1,000,367			

Webternity.com
Sensitivity Analysis

Year 1

Sales	Pessimistic 90%	Planned 100%	Optimistic 110%
Advertising	$ 10,588	$ 11,765	$ 12,941
Premium services	$ 26,023	$ 28,915	$ 31,806
Affiliate & Direct E-commerce	$ 3,346	$ 3,718	$ 4,090
Archived Accounts	$ -	$ -	$ -
Total revenue	$ 39,958	$ 44,398	$ 48,837
Variable Costs	Pessimistic 110%	Planned 100%	Optimistic 90%
Total Variable Cost	$ 349,800	$ 318,000	$ 286,200
Gross Profit	$ (309,842)	$ (273,602)	$ (237,363)
% of Total Sales	-775%	-616%	-486%
Operating Expenses	Pessimistic 110%	Planned 100%	Optimistic 90%
Total Operating Expenses	$ 2,157,980	$ 1,961,800	$ 1,765,620
Income From Operations	$ (2,467,822)	$ (2,235,402)	$ (2,002,983)

Year 2

Sales	Pessimistic 90%	Planned 100%	Optimistic 110%
Advertising	$ 225,544	$ 250,604	$ 275,665
Premium services	$ 929,806	$ 1,033,117	$ 1,136,429
Affiliate & Direct E-commerce	$ 231,341	$ 257,046	$ 282,750
Archived Accounts	$ 659,853	$ 733,170	$ 806,487
Total revenue	$ 2,046,544	$ 2,273,938	$ 2,501,332
Variable Costs	Pessimistic 110%	Planned 100%	Optimistic 90%
Total Variable Cost	$ 2,770,141	$ 2,518,310	$ 2,266,479
Gross Profit	$ (723,597)	$ (244,372)	$ 234,853
% of Total Sales	-35%	-11%	9%
Operating Expenses	Pessimistic 110%	Planned 100%	Optimistic 90%
Total Operating Expenses	$ 6,245,368	$ 5,677,607	$ 5,109,846
Income From Operations	$ (6,968,965)	$ (5,921,979)	$ (4,874,994)

Year 3

Sales	Pessimistic 90%	Planned 100%	Optimistic 110%
Advertising	$ 1,292,623	$ 1,436,247	$ 1,579,872
Premium services	$ 4,598,347	$ 5,109,274	$ 5,620,202
Affiliate & Direct E-commerce	$ 2,216,730	$ 2,463,034	$ 2,709,337
Archived Accounts	$ 7,547,766	$ 8,386,407	$ 9,225,048
Total revenue	$ 15,655,466	$ 17,394,962	$ 19,134,459
Variable Costs	Pessimistic 110%	Planned 100%	Optimistic 90%
Total Variable Cost	$ 12,300,819	$ 11,182,562	$ 10,064,306
Gross Profit	$ 3,354,647	$ 6,212,400	$ 9,070,152
% of Total Sales	21%	36%	47%
Operating Expenses	Pessimistic 110%	Planned 100%	Optimistic 90%
Total Operating Expenses	$ 9,697,703	$ 8,816,094	$ 7,934,484
Income From Operations	$ (6,343,055)	$ (2,603,694)	$ 1,135,668

Webternity.com
Assumptions and Highlighs

	Year 1	Year 2	Year 3	Year 4	Year 5
Basic Services					
Number of subscribes	258,680	959,994	2,310,870	3,605,292	4,692,922
Net Additions	258,680	714,644	1,487,318	1,697,262	1,895,296
Attrition	0	63,583	223,185	506,199	888,212
Projected USA Broadband Users(2001-2005)	10,000,000	15,500,000	27,000,000	38,500,000	50,000,000
Subscribers % of Broadband Users	3%	6%	9%	9%	9%
Additions % of Broadband Users	3%	5%	6%	4%	4%
Avg. quarterly subscriber growth rate	178%	45%	28%	17%	13%
Net additions growth rate y/y	N/A	176%	108%	14%	12%
E-commerce Services					
- Main E-commerce Services					
Affiliate: **Group Purchasing System**					
Direct: **Private Auctions**					
# of Affiliate e-commerce transactions	2,974	47,015	263,183	973,030	1,710,098
- % of Subscribers (1 to 1)	1.1%	4.9%	11.4%	27.0%	36.4%
- % of Subscribers (2 to 1)	0.6%	2.4%	5.7%	13.5%	18.2%
Avg. affiliate quarterly transaction growth rate	219%	92%	59%	42%	14%
Affiliate transaction growth rate y/y	N/A	1481%	460%	270%	76%
Avg. quarterly affiliate e-commerce sale	$18,590	$352,611	$2,631,831	$10,946,592	$21,376,220
Avg. quarterly affiliate transaction rate (%)	5.0%	6.5%	7.0%	6.0%	5.5%
Avg. quarterly affiliate e-commerce revenue	$929	$22,920	$184,228	$656,796	$1,175,692
# of Direct e-commerce transactions	0	45,935	342,950	1,108,294	1,710,098
- % of Subscribers (1 to 1)	0%	4.8%	14.8%	30.7%	36.4%
- % of Subscribers (2 to 1)	0%	2.4%	7.4%	15.4%	18.2%
Avg. direct quarterly transaction growth rate	0%	7%	52%	30%	7%
Direct transaction growth rate y/y	N/A	N/A	647%	223%	54%
Avg. direct e-commerce sale	$0	$344,514	$2,944,473	$11,082,945	$19,238,598
Avg. direct e-commerce profit margin	0%	6%	14%	12%	10%
Avg. quarterly direct e-commerce revenue	$0	$41,342	$431,530	$1,329,953	$1,923,860
Premium Services					
Premium Service Additions	3,449	49,470	124,597	221,634	402,670
Avg. quarterly premium sub. growth rate	187%	114%	35%	23%	19%
Premium sub. additions growth rate y/y	N/A	1334%	152%	78%	82%
Avg. quarterly premium sub. Fee	$2.50	$3.00	$3.50	$4.00	$5.00
Avg. quarterly premium sub. revenue	$7,228.71	$258,279.34	$1,277,318.59	$3,524,523.78	$9,327,691.28
Avg. quarterly pre. sub. revenue growth y/y	N/A	3473%	395%	176%	165%
Total Premium Subscribers	3,449	52,919	177,516	399,150	801,821
Total Premium Subscribers growth y/y	N/A	1434%	235%	125%	101%
Archiving Service					
Archiving Service Additions	-	13,330	136,442	402,840	807,666
Avg. quarterly archived accounts growth rate	0%	8%	74%	23%	14%
Archived accounts growth rate y/y	N/A	N/A	924%	195%	100%
Avg. One Time Archiving Fee	$55	$55	$60	$69	$75
Avg. quarterly archiving revenue	$0	$183,293	$2,096,602	$6,963,035	$15,143,745
Avg. quarterly archiving revenue growth y/y	N/A	N/A	1044%	232%	117%
Total archived accounts	-	13,330	149,773	552,612	1,360,279
Total archived accounts growth y/y	N/A	N/A	1024%	269%	146%
Expenses					
Advertising expense/subscriber	$2.02	$2.31	$4.99	$10.71	$22.14
Advertising					
Subscriber accounts (Cum. Quarterly Avg.)	74,358	587,686	1,644,895	3,040,720	4,275,244
Avg. quarterly page view per homestead	19	31	42	47	50
Avg. quarterly page views per subscriber visit	3.4	3.9	4.1	4.1	4.9
Avg. quarterly page views per visitor visit	2.4	3.3	3.4	3.3	3.9
Avg. subscriber visits per quarter	4.3	5.5	7.0	7.0	5.5
Avg. quarterly # of visitors per homestead	2.0	3.0	4.0	5.5	6.0
Avg. quarterly page views - Sub. Visits	1,288,071	13,232,011	48,442,532	86,778,268	113,983,920
Avg. quarterly page views - Visitor Visits	812,810	17,934,599	89,860,604	305,026,900	601,793,887
Avg. quarterly page views - Active Accs.	2,100,881	31,166,610	138,303,136	391,805,168	715,777,807
Archived accounts (Cum. Quarterly Avg.)	0	4,775	82,730	372,559	1,039,696
Avg. Page views per archived account visited	5	5	5	5	5
% Archived Account visited per quarter	10%	10%	10%	10%	10%
Avg. number of visitors per quarter - archived	3	3	3	3	3
Avg. quarterly page views per archived acc.	15	15	15	15	15
Avg. quarterly page views - archived accs.	0	7,163	124,095	558,839	1,559,544
Avg. quarterly page inventory (millions)	2.1	31.2	138.4	392.4	717.3
Avg. quarterly impressions sold (millions)	0.7	12.5	59.8	177.4	302.8
Avg. quarterly % impressions sold	35%	40%	43%	45%	42%
Avg. cost per 1000 impressions (CPM)	$4.00	$5.00	$6.00	$8.00	$10.00
Avg. quarterly ad revenue	$2,941	$62,651	$359,062	$1,419,591	$3,028,114

EXHIBIT 5

9/24/2002

Kingsley R. Chin, M.D.
2185 Cornell Road
Cleveland OH 44106

Re: Solomon H. Gayle and SeiLai Khoo

Dear Sir/Madam:

It is a personal privilege to write this letter to verify the nature of the relationship between my dear and close friends SeiLai Khoo and Solomon H. Gayle. I have known SeiLai and Solomon since 1984 while we were all attending Columbia College. I closely witnessed the relationship they developed and shared over seventeen years, and cannot imagine any other situation that could have disrupted their strong partnership. Prior to SeiLai's tragic death on September 11, 2001, they were engaged and living together in their condominium in Jersey City, and close friends and family members where very aware that their marriage and family plans were only being delayed because of career commitments.
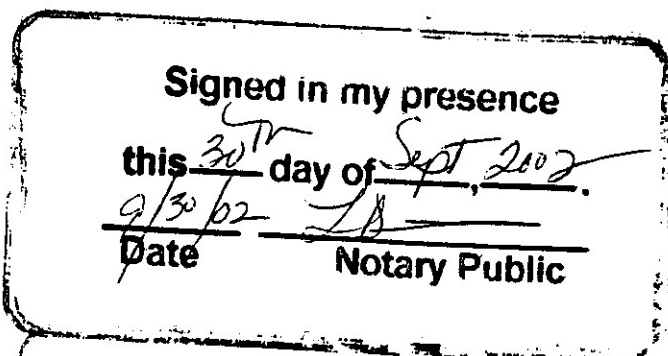
I consider it a tremendous privilege to be one of their closest friend and confidant, and although SeiLai was tragically torn from us, I am sure we will always honor her as an integral part of our close personal and family friendship.

Please feel free to contact me by phone at 617-697-5442 or email me at kingsleychin@hotmail.com.

Sincerely yours,

Kingsley R. Chin, M.D.
Orthopaedic Spine Surgeon
Columbia College 1988
Harvard Medical 1996

Signed in my presence
this 30th day of Sept, 2002.

9/30/02
Date   Notary Public

LYNELL DAVIS, Notary Public
State of Ohio
My Commission Expires 2/8/2006

212-001796-0204

EXHIBIT 6

Italy 1993

EXHIBIT 7

Austria

Canada, Banff

Vancouver, Canada

EXHIBIT 8

Winter Brake, 1985

Singapore

Hi little Daddy
What do u think
of this postcard!
Happy New Year
Miss you.
love

Major performance in Chinese traditional
festival parade.
Photo : Hidetaka Mori

MR SOLOMON Gayle
50 St Marks Ave.
Brooklyn
NY 11217
U.S.A.

Dearest Daddy,

*T*hough we don't spend
every minute of every day
together...
every minute of every day,
you're a part
of all I do.

Happy Valentine's Day
With Love

Dearest little Daddy,

Because there is such happiness
in little things you do,
I'll always have a special place
within my heart for you...

So while I'm wishing you life's best,
I want to take a minute
To say, "The world's a nicer place
for me--because you're in it!"

Have a Wonderful Day!

love,
Lila

I love you
and I hope you know,
as Christmas seasons
come and go,
Your love and you
will always be
the gifts that mean
the most to me.

Merry Christmas
to the One I Love